FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,254 — Thursday February 23 1984 — D 8523 B

Stranded on the road to Paris, Page 2

NEWS SUMMARY

GENERAL

Iran in second major offensive

Heavy fighting raged in the southern central sector of the Gulf war as Iran launched its second major offensive against Iraq within a week.

Iraq's President Saddam Hussein appeared frequently on television and radio to spur on his troops and warn that the country was facing a decisive battle.

Tehran radio said Iraq had suffered many casualties and that many of its troops were fleeing. The main Iranian thrust to be directed at the town of Ali al-Gharbi on the main Baghdad-Basra road. Page 20

Peking denial

Peking denied involvement in alleged attempts by five overseas Chinese to smuggle U.S. military technology into China.

Czechs' plea to U.N.

Czechoslovak human rights group Charter 77 has written to United Nations secretary-general Javier Perez de Cuellar protesting about persecution by the Czech authorities.

Jordan cuts Libya

Jordan severed diplomatic and political ties with Libya, following the destruction of its Tripoli embassy by rioters last week.

Grenada charges

Eighteen people have been charged in Grenada in connection with the October 19 killing of Premier Maurice Bishop and five others in the military coup that prompted the U.S. invasion of the Caribbean island.

Eight die in Punjab

Violence between Hindus and Sikhs in India's Punjab continued, with eight more people shot dead by unidentified assailants, making 17 deaths in two days.

East Berlin talks

U.S. Assistant Secretary of State Richard Burt had talks in East Berlin with East German Government and Communist Party officials in a bid to improve relations. Page 2

Nasty game charge

A former West German policeman and his technical artist girl friend went on trial in Zweibrücken charged with circulating a board game based on the Nazi extermination of six million Jews.

Chamberlain bid fails

Pastor's wife Lindy Chamberlain lost her final appeal against conviction and life imprisonment for killing her nine-week-old daughter in Australia's "dingo murder" case.

Asylum refused

A U.S. Federal appeals court refused a plea for asylum by imprisoned Irish Republican Army bomb expert Michael O'Rourke. He will be deported to the Republic of Ireland, where he is wanted for escaping from prison.

85-year jail term

One of four Philippines policemen accused of lining five men against a wall and shooting them dead was sentenced to 85 years' jail and ordered to pay their families 908,000 pesos ($65,000) damages. The other three officers are still at large.

Car goes sideways

Toyo Kogyo of Japan, which makes Mazda cars, has designed an experimental car with four-wheel steering thet enables it to move sideways into small parking spaces.

BUSINESS

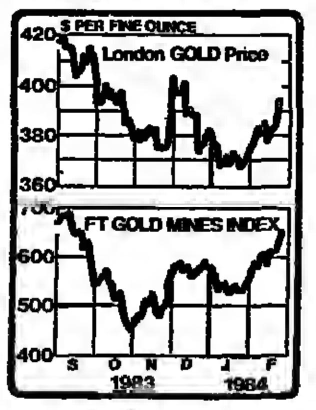
UK group hit by setback in U.S.

COMMERCIAL UNION, the UK insurance major, had its 1983 pre-tax profits cut to £9.3m from 1982's already-low £21.5m because of a U.S. payout of $50m (£34.5m). Page 24; Lex, Page 20

WALL STREET: Dow Jones industrial average closed down 5.13 at 1,134.21. Report, Page 33. Full share prices, Pages 34-36

LONDON: FT Industrial Ordinary index slipped 2.9 to 816.4. Government securities were generally static. Report, Page 37. FT share information service, Pages 38, 39

TOKYO: Nikkei Dow index eased 22.93 to 9,947.71. Stock Exchange index edged down 0.92 to 769.86. Report, Page 33. Leading share prices, other exchanges, Page 36



GOLD rose $6.25 in London to $394.75, its highest closing level since December 8. In Frankfurt and Zurich it closed at $395.25. In New York the Comex February settlement was $399.7 ($388.4). Page 42. The FT Gold Mines index surged 25.8 to 658.2.

DOLLAR fell to DM 2.6635 (DM 2.7035), FFr 8.2125 (FFr 8.3425), SwFr 2.1925 (SwFr 2.2175) and Y233.2 (Y234). Its Bank of England trade-weighted index fell from 129.2 to 128.1. In New York it closed at DM2.662; FFr 8.2145; SwFr 2.195 and Y233.4. Page 43

STERLING rose 70 points to $1.451 and to Y338.5 (Y338) but it fell to DM 3.8675 (DM 3.905), FFr 11.915 (FFr 12.045) and SwFr 3.1825 (SwFr 3.205). Its trade weighting dropped from 82.7 to 82.4. In New York it closed at $1.4515. Page 43

INVESTORS in UK commodity funds and venture capital funds were granted major concessions from new tax rules being applied to offshore funds as part of a government clampdown.

DENMARK'S 1984 Finance Bill is expected to obtain a big majority in parliament today, following the Social Democrats' decision to abstain. Page 2

DUTCH-WEST GERMAN trade improved by 5 per cent last year to a record Fl 98bn ($32.23bn), with Dutch exports to West Germany Fl 55bn.

STEEL: Independent producers in Europe asked the European Court of Justice to ban the controls the EEC imposed on the trade in December. Page 20

WEST GERMANY'S coalition partners have agreed in principle on income tax cuts and higher family benefits worth DM 25bn ($9.26 bn). Page 2

RENAULT, the French state car group plans to reduce its workforce by 7,250 this year through voluntary retirements and other incentives. Page 2

N.L. Industries, one of the major companies in the U.S. oil services industry, cut its quarterly dividend from 25 cents to 5 cents, as evidence mounts that the recovery in the U.S. oil business is going to be slower than many had expected. The New York-based company recently reported a net loss of $188.8m

French blockades threaten serious economic damage

BY DAVID MARSH IN PARIS AND PAUL CHEESERIGHT IN BRUSSELS

France was paralysed by road blockades set up by protesting lorry drivers yesterday as the six-day-old transport dispute showed signs of developing into a crisis that could seriously damage the economy.

The country, currently holding the presidency of the EEC, will be asked today to call a meeting of Transport Ministers for next Monday to discuss the lorry drivers' strike and the long delays on the Franco-Italian border.

Pressure for the meeting was said to be coming from the Netherlands Government.

The hindrance to the free movement of goods through France and on its Italian border are held to be against the provisions of Article 5 of the Treaty of Rome, which established the EEC.

As more layoffs were announced at French motor factories suffering shortages of components delivered by road, the embattled left-wing Government and road haulage confederations each refused to budge from negotiating positions drawn up in peace talks on Tuesday.

In a further escalation of this week's disruption, 35-tonne lorries were parked across main roads throughout the country. Police and riot troops stood by but for the most part were powerless to intervene.

By early evening yesterday, 240 road barricades were reported across France, double the number on Tuesday. For three hours yesterday afternoon, truckers also blocked the main rail link between Paris and Lyons.

Road chaos also spread to other frontier areas of Europe yesterday. In addition to long lorry queues on the Italian side of the French Alpine border, where a work-to-rule by French and Italian customs officers sparked off the truck drivers' blockades at the end of last week, traffic piled up at the German and Austrian frontiers too.

The French Government warned of the risks for the country's economic recovery caused by the blockades.

M Charles Fiterman, the Communist Transport Minister, who has led the Government's handling of the affair, declared that road hauliers would have to "reciprocate" the "good will" shown by the Government.

The appeal fell on deaf ears. There were signs that the two main truckers' confederations were facing difficulty in controlling militant drivers blocking freezing roads, and their leaders repeated calls for more government concessions and for a restart of negotiations.

The Government's alarm over the economic impact of the blockades was underlined when the motor group Peugeot announced it was temporarily laying off from today, around 30,000 workers at three French plants because of supply delays. Renault was also reported to be suffering, while Citroën laid off 14,500 workers yesterday.

Activity at the port of Le Havre was run down yesterday because of the blockades. Some Paris restaurants were apparently fearing food shortages, although Leclerc and Carrefour, the country's two biggest

Continued on Page 20

Stuck in a British truck, Page 2

Ford to produce new car engine in Cologne

BY BRIAN GROOM IN LONDON

FORD'S plant at Cologne in West Germany will produce a new engine for medium-sized cars, including the Sierra, from 1987-88, the company said yesterday.

But Ford of Europe has scaled down original proposals to produce the new engine at the rate of 500,000 a year.

The company will save over £150m of the planned £350m ($507m) investment by tooling up to produce only about 200,000 engines a year at Cologne and importing the rest from the U.S.

Mr Bill Hayden, Ford of Europe's vice-president for manufacturing, said that an engine of equally advanced design to the one proposed for Germany would be available from Ford U.S. in 1987-88. The American engine could be made to meet European standards with more modest investment.

Mr Hayden indicated that the Ford plant at Dagenham in Britain would, after 1987-88, become the sole source of the present OHC petrol engine at the rate of about 67,000 a year.

In addition, Dagenham will produce 1.6-litre car diesel engines, a 2.5-litre direct injection engine and an improved Dover truck engine, following a £159m investment programme at the plant – which is about to be completed.

Annual engine production at Dagenham would increase by 83,000 to more than 330,000 by 1988 and Britain would continue to be a net exporter of engines, Mr Hayden maintained.

Ford was outlining its plans for unions worried that the U.S.-owned group might run down its British operations following a decision to close the loss-making foundry at Dagenham.

The company's assurances failed, however, to move the unions who decided to call their 19,000 members at the Dagenham plant out on indefinite strike from March 5. Dagenham produces Sierras and Fiestas for the UK market.

Mr Hayden said the company faced serious difficulties in the UK. Efficiency improvements to close the gap with other European plants were needed if future investment was to be justified.

Renault seeks to shed 7,250 jobs, Page 2; Seddon takeover approved, Page 13; how BL develops engine parts, Page 11

Dollar continues slide in Europe

By Philip Stephens in London

THE U.S. dollar continued its downward shift on foreign exchange markets yesterday, to close in London at its lowest level since last November. Sterling shed gains made against most European currencies earlier this week.

Fears that the flow of foreign capital into the U.S. will not keep pace with its widening trade gap and concern over the dangers posed by the budget deficit for the U.S. economy now appear to have established a generally weaker trend for the dollar, foreign exchange dealers reported.

Some rebound in the dollar's value has not been ruled out by the markets in the short term, but the investor confidence that sent the U.S. currency to record highs in January seems to be slipping away.

The dollar closed in London at DM 2.6635, down 4 pfennigs from Tuesday and some 19 pfg below its all-time high last month, while its trade-weighted index fell 128.1 from 129.2.

Against sterling it ended at $1.4510, a loss of 70 points on the day.

"Sentiment towards the dollar is changing. The dangers posed by the budget and trade deficits are now regarded much more seriously," the currency manager of a leading West German bank in Frankfurt said.

The foreign exchange market in New York broadly followed the trend set in Europe with the dollar closing marginally weaker against all the major European currencies. Trading activity was said to be hectic.

European institutional investors have begun to divert at least part of their funds away from dollar-denominated assets, adding to pressure on the U.S. currency.

Even if leading investors do not withdraw capital from the U.S. but simply divert new cash to other centres, pressure on the dollar is expected to grow. Many commercial corporations are also reported to be reducing their exposure in the U.S. currency.

Further unsettling the markets is the forthcoming presidential election, with even the vaguest hint that President Reagan's lead could be slipping likely to prompt dollar sales dealers said.

In contrast, the rising tension in the Middle East has so far had only a temporary impact on the dollar, with its role as a "safe haven" in times of international unrest diminished by worries over the economic outlook.

Currencies, Page 43

Bonn provides DM 1.5bn for new Airbus

BY RUPERT CORNWELL IN BONN

THE WEST GERMAN Government will provide DM 1.5bn ($555m) of financial backing between now and 1990 for the development of the A-320 150-seat jet to be built by the European Airbus consortium.

Bonn's decision, ratified at a Cabinet meeting yesterday, was expected although much delayed. It marks a step forward for the four-nation project of which the West German share, held through the Messerschmitt-Bölkow-Blohm (MBB) group is 37.9 per cent.

The development means that both France and West Germany, the governments representing two biggest shareholders in Airbus Industrie, have now thrown their weight behind the project. The indications are thet the British Government has decided to provide financial support for British Aerospace, which owns 20 per cent of Airbus.

Government money represents 90 per cent of the Federal Republic's total share of the A-320's estimated development costs.

The remaining 10 per cent, or DM 168m, will be put up by the industry. The bulk of that is expected to come from a planned capital increase of DM 115m for Deutsche Airbus, the subsidiary of MBB.

Theoretically, the Government will get its money back when the A-320 is sold in sufficient volume to make a profit. The break-even point is generally put at around 600 aircraft.

That compares with the 51 firm orders – primarily from French airlines and British Caledonian – and 45 options so far placed. Lufthansa has not yet shown any notable enthusiasm for the new aircraft, although it operates other versions of the Airbus.

The German airline is expected to take a firm decision within the next year or so on whether to order the A-320, of which the first should come off the production line in spring 1988.

The Bonn Government had delayed a decision on the A-320, unconvinced that a stagnant world civil aviation market warranted so great a commitment of public funds.

But according to projections there will be a worldwide requirement of 3,400 aircraft in the A-320's short and medium-haul category until the end of the century.

The highly fuel-efficient aircraft will be offered with two engine options: the French-American CFM 56-4 or the five-nation V-2500 engine, in which Germany's MTU has a stake.

People Express, the low-fare U.S. airline, has signed a two-year agreement with a subsidiary of the U.S. Boeing Company for the lease of two used Boeing 747-200 jetliners and one Boeing 747-100. The aircraft will join the People Express fleet at the end of June. Page 22

Michael Donne, Aerospace Correspondent, in London writes: An announcement is now likely early next week and the British Government is expected to be broadly favourable to participation. Mrs Margaret Thatcher, the Prime Minister, has apparently made up her mind in favour of the British Aerospace (BAe) investment after a lengthy period of scepticism and close scrutiny of the project's commercial viability.

There is however likely to be much less direct government launch aid than the £437m sought by BAe.

It is expected that the Government will be prepared to invest up to about £200m in launch aid, repayable from levies on each aircraft sold, with the rest being raised by BAe from City of London sources, against government guarantees.

BAe had insisted that it needed all the £437m from the Government, on the ground that it could not burden its balance sheet with additional debt by borrowing the cash privately.

During discussions in recent weeks, that view is believed to have been modified, with BAe prepared to accept a package of joint BAe-Government-City financing.

Paul Cheeseright writes from Brussels: The European Commission yesterday adopted proposals aimed at liberalising the air transport industry. The proposals will be sent to the Council of Ministers for decision.

The proposals seek to satisfy the growing demands of consumers for a more competitive and less expensive system within the EEC, maintaining the basis of the present system dominated by national airlines, many of them state-owned.

Deregulation of the airlines, allowing free competion, has been ruled out as impractical. "The issue is whether the present system can be made sufficiently flexible so as to contain within itself enough pressures to ensure that airlines increase their productivity and provide their services at the lowest possible cost."

Timex to quit U.S. computer market

BY JASON CRISP IN LONDON AND LOUISE KEHOE IN SAN FRANCISCO

TIMEX has become the latest casualty in the fiercely competitive U.S. home computer business. The company has withdrawn from the U.S. market after just 18 months of selling cheap computers based on the range developed by Sinclair Research in the UK.

Timex's abrupt withdrawal from retailing computers will be a considerable problem for Sinclair Research, the company founded and owned by Sir Clive Sinclair. Mr Nigel Searle, managing director of Sinclair Research, flew to the U.S. on Tuesday and is thought to have met Timex management yesterday.

Timex in Dundee, Scotland, is also the main sub-contractor for Sinclair Research, and the relationship is unaffected by the decision. Timex licensed the Sinclair name and technology to sell computer products in the U.S. in February 1982. The first Timex sales began in August, and as a result Sinclair wound down its U.S. operation and withdrew from the market.

Timex said an analysis of the low-priced computer market indicated that 1984 would be another year of turmoil. Mr C.N. Jacobi, vice-president of marketing and sales, said: "We believe the instability in the market will cause the value of inventories to decline, making it difficult to make a reasonable profit."

The Timex venture into computers began well with sales of 700,000 TS1000s – the equivalent of the Sinclair ZX81 – in the first six months. But after that sales plummeted. Last year the U.S. market became intensively competitive with a bitter price war that led to heavy losses. Texas Instruments, one of the leading price cutters, finally withdrew from the market in the autumn. The TS1000, officially priced at $49, was sold at $15 in some stores before Christmas.

The relationship between Sinclair and Timex deteriorated partly because of delays in launching a

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Mesa aims to raise Gulf stake

By William Hall in New York

THE BATTLE FOR control of Gulf Corporation, the fifth biggest U.S. oil company, intensified yesterday with the announcement that the dissident shareholder group, led by Mr T. Boone Pickens from Texas, plans to raise its stake in Gulf from 13.2 per cent to 21.3 per cent and is seeking to elect its own board of directors at Gulf's next annual meeting.

Mr Pickens' Pickens's Mesa Petroleum announced yesterday that it, and the other members of the Gulf investors group, intend to make a cash tender offer at $65 per share for up to 13.5m common stock of Gulf Corporation, their dissident investor group has already spent close to $1bn acquiring a 13.2 per cent stake at an average price of $45 per share and the planned purchase will cost another $878m.

Mesa said it reserved the right to purchase more than the 13.5m

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EUROPEAN NEWS

Income tax cuts in prospect as Bonn agrees on reforms

BY RUPERT CORNWELL IN BONN

THE THREE West German coalition parties have agreed in principle on tax reforms which should lead to cuts in income tax and higher family benefits worth DM 25bn (£6.4bn).

The basic aims are to help lower-paid salaried workers and—in the medium term—reverse the alarming drop in the country's birth rate by encouraging larger families.

However, the outline agreement, reached at a meeting of senior politicians from the government parties chaired by Chancellor Helmut Kohl, masks considerable disagreement, both over the exact content and the timing of the introduction of the reforms.

Some ministers would like them brought in quickly. They argue that the substantial reductions in the budget deficit achieved since the centre-right coalition came to power in October, 1982, give ample scope.

Ranged against them, however, is the formidable figure of Herr Gerhard Stoltenberg, the Finance Minister. He declared again this week that the Government's financial priority is to make further inroads into the budget deficit—thus allowing interest rates to fall and the current economic recovery to be consolidated.

He has hinted that the tax cuts should wait until as late as 1987, and is determined that part of the DM 25bn should be recouped by rises in other taxes like VAT, and tobacco and alcohol duties.

The most likely timetable at present, is for the first detailed proposals to go before the cabinet in late spring, with further progress when the Bundestag discusses the draft 1985 budget in the autumn. But it is unclear whether the measures will take the form of one or two packages, and when they will become law.

Renault wants to shed 7,250 jobs this year

BY PAUL BETTS IN PARIS

RENAULT, the French state-owned motor group, said yesterday it wants to reduce its workforce in France by 7,250 this year. It hopes to do so entirely by voluntary early retirements and other voluntary means.

The workforce reduction plans were announced to the central works committee of Renault's car division and to the group's industrial vehicles subsidiary, Renault Vehicules Industriels.

The group is seeking to cut 3,500 jobs this year from its French car division, which employs about 102,000 people, and 3,750 jobs from its heavily loss making truck subsidiary. This currently employs about 37,000.

Apart from early retirement, the company is offering financial incentives for workers to leave and is discussing the possibility of encouraging immigrant workers to return to their home countries.

The Renault announcement follows one last week by Citroen, which is part of the financially-troubled Peugeot group, that it wanted to cut 3,500 jobs this year through early retirements.

Both Renault and Citroen are adopting as conciliatory an approach as they can to the delicate problem of large-scale job cuts in the motor industry.

France aims to boost industrial research

BY DAVID MARSH IN PARIS

THE French Government is introducing a string of financial measures to boost research spending in industry, geared particularly to inciting innovation in small businesses and linking up entrepreneurs to technical institutes and universities.

The measures approved by the Cabinet at its weekly meeting yesterday are intended to boost the commercial value of research by French scientists.

Announcing the moves, which will be financed by re-ordering existing spending programmes rather than through injecting new funds, M Laurent Fabius, the Industry and Research Minister, pointed out that the global industrial research efforts of all French institutes were equal to the spending of the Massachusetts Institute of Technology.

Despite efforts by successive governments since 1970, the share of French industrial research made by companies was lower at 43 per cent, than in other leading industrialised countries.

Additionally, industrial research was thought too heavily concentrated on specific areas such as the electronics and aeronautical sectors.

To try to make up for lost ground, the Government will spend more money on training in technical subjects by increasing scholarships for researchers working in businesses, particularly small enterprises and by encouraging more—at present relatively few—doctoral theses on technology in universities.

To sperk greater technical collaboration between universities and business, the Industry Ministry is doubling to FFr 600m (£53m) its annual industrial research credits.

Specific priority will be given to small companies to try to create in France the same sort of prolific interplay between science and industry which exists, for example, in Silicon Valley in California, M Fabius said.

The Government is also setting up new research programmes in commercially useful areas such as composite materials, laser and metallurgy, and will gear spending by the *Energy Saving Agency (AFME)* much more towards industrial research in fielda such as energy-efficient cars.

M Fabius: re-ordering existing programmes

Steelmen confront Madrid government

By David White in Madrid

A TRIAL of strength between the Spanish Government and unions over the future of the Altos Hornos del Mediterraneo steelworks at Sagunto, near Valencia, has reached a critical stage with the workers refusal to shut down a blast furnace.

The closure, ordered by the State-owned company on Monday, is the long-delayed first move to scale down the plant, which employs 4,500. The management has threatened to cut off supplies unless the furnace is shut down. The order directly affects 155 jobs, but the Communist union, Comisiones Obreras, claims that another 2,500 are at stake.

Investment projects recently approved for the region are due to create 855 jobs.

The Sagunto conflict, a challenge for the Socialist Government's industrial restructuring plans, comes amid a gathering series of strikes in the transport and textile sectors. S Felipe Gonzalez, the Prime Minister, accused Comisiones Obreras on Tuesday of trying to prepare the ground for a general strike against the Government.

Spanish air services were affected yesterday by industrial action in support of negotiated plans to safeguard the future of the country's two state-owned airlines.

Following a work-to-rule begun on Tuesday, stoppages yesterday by Iberia ground staff forced the company to cancel about an eighth of its services, including some international flights. Similar cuts are likely today. Its domestic sister airline, Aviaco, where flight personnel joined the action, suspended the bulk of its mainland flights.

Yesterday also marked the start of a series of one-day pay strikes among 300,000 textile workers. But stoppages planned on Madrid buses and underground trains were called off. The strike wave is due to come to a head next Wednesday when railway staff are scheduled to join the airline and textile workers.

Meanwhile, the Socialists 1982 election promise to create 800,000 jobs over four years has moved further into the distance with January figures showing a rise of almost 4 per cent in the number of registered job-seekers to 2.43m or 18.4 per cent of the active population.

Czechoslovak attack on Reuters

By David Buchan

THE fast-expanding business news service of Reuters, whose international share flotation was announced yesterday, has been attacked in the Czechoslovak media as a tool of "information imperialism."

With its "monitor" service which plugs subscribers directly into international money and commodity markets, Reuters has become "a direct and most important tool in the world-wide market machinations by which interstate monopolies achieve the exploitation of developing countries on the one bend, and the concentration of financial capital on the other," according to a television commentary.

The share flotation will link the "biggest capital" with the "dissemination of information," according to the commentator, Mr Petr Kubka, who said: "It is obvious in whose interest this information will be disseminated."

The expansion of Reuters is clearly seen in the East as further grounds for Third World and Communist efforts in Unesco to restrict Western Press activities.

Reuters has ebont *50* subscribers in Comecon countries to its mainline "monitor" and business news services, but

Hazel Duffy reports from a British truck stranded on the outskirts of Paris

Traffic's roar gives way to ominous silence

THE ONLY signs of movement oo the north-east Paris approach roads, where thousands of trucks bave been stranded for nearly 24 hours, are the police helicopters hovering above.

The occasional car and ambulance maneges to weave through the side streets, otherwise there is an ominous silence over tha trunk roads which normally carry an unending flow of traffic.

Dejected drivers — Dutch, German, Belgian, British, as well as Freocb — try to pass the time walking up and down the bleak pavements alongside the old Le Bourget Airport. Huddles of Frencb truck drivers fed orange boxes into the fires lit between the vehicles in an attemnt to ward off the cold.

Initiel disbelief at being stranded on the outskirts of one of the world's biggest cities is giving way to dull acceptance that it could be another day before the barrages are lifted and the trucks get moving agein.

The first hint of difficulty came for me about 50 miles outside Paris. I was travelling in a truck owned by Dow Freigbt, taking textiles to Italy via Belgium and France. My purpose was to observe EEC border control formalities for freight vehicles. The French, however, got in first.

Motorway traffic came to a near halt, then proceeded at a crawl for tha next hour. Furious French motorists made a bid for the emergency lanes, only to find themselves blocked by trucks wbich pulled over to straddle them. Half a mile further on, the road was clear. But two trucks in front were resolutely setting the snail's pace.

A police car suddenly raced up front along the grass verge and the protesting truck drivers agreed to quicken the pace. Where the motorway skirts Charles de Gaulle Airport, however, police diverted all traffic on to the Route Nationale. A mile or so further on, it came to a cemplete halt.

Cars were filtered eventually on to a lane for traffic in tha opposite direction, but the trucks were stranded. After an hour or so, drivers began leaving their cabs to survey the scene, then drifted into nearby cafes where beer was being sold as fast as the proprietora could take the money and a roaring business was being conducted on the pin-ball macbine.

I walked on for a mile or so, to find a crane blocking the only clear lane. Further still, it deteriorated into another jumble of trucks sprawled across all lanes.

The Paris ring road, where most drivers were heading, was similarly blocked. Under siege-like conditions, there was nothing to do but bed down in trucks overnight (normal for most drivers, wbo feel safest with their loads, and are reluctant to spend their allowance on hotel rooms). Basic facilities, however, were clearly coming under strain with so many stranded drivers.

Why go through France at all when trouble was in the offine? Many of tha drivers I have sooken to were destined for the Paris area—some are within two miles of the customs clearance polnt. Two houra' work could now take two days.

Many of the drivers work for themselves on very tight margins. Any bope of profit out of this trip is rapidly disappearing. "If this sort of thing carries on much longer we will be ruined," said one who had already lost money as a result of the recent heulage strike in Italy.

In spite of the frustration, thougb, some still express sympathy for the actions of the French owner-drivers who are now seen as the militants. "This will bring home to that Communiat blighter (that is President Frencois Mitterand, who is in fact a Socialist) wbat a mess he bas mede of this country," says one Britisb driver.

Reports that a Dutch driver has been shot by an angry Frencb motorist (unconfirmed, because nobody really knows what is going on) is bringing an air of defiance, bowever, to the solid groups of Dutch drivers downing their beers and spirlts.

Information for the British drivers comes from the BBC. Most do not speak or reed Frencb altbough, even if they did, the newspapers are ahle to give no hint of when the blockade might be lifted.

There is nothing to do now but sit it out while drivers swap stories about disputes in the past—like 14 days stranded at a Belgian port with a load of rotting melons while the British dockworkers were on strike.

Beside the everyday stories of increasing police barassment towards foreign truck drivers in France and Italy, the border control complexities pale into insignificance. The loneliness of the long distance lorry driver is nothing compared with the patience he needs to do his job.

Near chaos at Italian border crossings

ITALY'S main border crossings with France, Austria and Switzerland were in near chaos last night as freight traffic was paralysed by an overtime ban by Itallan eustoms men and the hlockade In France hy truck drivers, writes Alan Friedman in Milan. Thousands of vehicles were stranded in quenes stretching as long as three miles, while below-freezing temperatures and snow created a situation which pollce officials described as both dramatic and dangerous.

The Italien customs men began their three-day action on Tuesday as part of a campaign for higher wages. It seemed possible last night that the Government, under pressure from West German and Austrian antherities, might censider ordering a return to work.

The most serious blockage yesterday was at the Brenner Pass, which connects Italy and Austria and is a vital route for freight traffic from West Germany to Italy. More than 1,000 trucks were held up on the Austrian side and a further 1,000 on the Italian.

At Courmayeur, the ski resort on Italy's northwest border with France, the crisis was heightened by bad weather and problems on both sides. Police have stopped around 1,000 trucks in nearby Aosta, fearing that they would add to the already serious situation caused by 400 waiting to enter the Mont Blanc tunnel to France. More than 1,500 are halted on the French side by the drivers' blockade.

At the Italo-Swiss border town of Chiasso, south of Lugano, 200 trucks were stranded on the Italian side and a further 300 in Switzerland.

The Italian overtime ban is supposed to end by Friday, bnt yesterday there was talk of renewed action next week unless the Government meets the demands of the customs men.

Patrick Blum adds from Vienna: An emergency meeting of the Austrian cabinet yesterday agreed several measures to alleviate the situation on the border, including help and shelter for stranded drivers. At the reqnest of Chancellor Fred Sinowatz, the West German Government has agreed to prevent any more trucks entering Austria from Bavaria en route for Italy.

Irish to probe cash outflow

By Brendan Keenan in Dublin

AT LEAST I£1bn ($1.1bn) flowed out of the Irish Republic in cash and capital last year and government agencies are conducting an inquiry to find out how it went.

The outflow, equivalent to 7.5 per ceot of Irish gross national product (GNP), is moch larger than that recorded in previous years.

Central bank figures showed an outflow of more than I£800m to mid-November and officials concede that the full-year figure will not be less than I£1bn. The Government Statistics Office plans to complete a report analysing the figures later this year.

The increase in the flow of money out of the country might mean that last year's estimate for tha balance of payments deficit of I£350m will have to be almost doubled. Officials said tha adjustment would not affect the improving trend of recent years and pointed out that external reserves increased last year.

But a leading Irish economist said yesterday that such a large discrepancy made it impossible to construct sensible economic policy or even tell what exactly was going on. Dr Anton Murphy, of Trinity College, Dublin, said that, while the reserves had improved, over I£500m had been added to Ireland's foreign debt because of currency changes.

The statistical study is concentrating on trade, private capital flows and repatriation of profits by foreign firms. There was no official confirmatioo that foreign industry may have repatriated I£300m last year, although one official suggested that the figure would not be less than that.

The pbenomeoon of cross-border shopping trips to Northern Ireland now represents a significant loss to the Republic's economy. The most common estimate for last year is that shoppers spent around I£200m oo sucb trips.

Italy's banks split over prime

BY ALAN FRIEDMAN IN MILAN

ITALY'S LEADING banks yesterday began a free-for-all on the setting of prime rates, with Banca Nazionale del Lavoro, the country's biggest bank, reducing its prime rate by 1.25 percentage points to 17.25 per cent. Its decision marks the first time that Italian banks have acted independently in fixing the prime rate, which, until now, has been agreed under the umbrella of ABI, the banking association.

Last year, BNL acted independently on one occasion by lowering its prime rate a month ahead of other ABI banks, but this was exceptional.

Cariplo, Italy's largest savings bank, yesterday rapidly followed BNL's action with an announcement that it would lower its prime rate by one polnt. Other large banks, such as Banca Commerciale Italiana, Credito Italiano, and Istituto Bancario San Paolo di Torino, are likely to announce their new prime levels within the next few days.

A meeting of ABI in Rome next Tuesday is expected to take note of the new system and establish a guideline which may not ba adhered to universally in future.

Yesterday's developments came 24 bours after bankers met officials at the central bank. Last week, Italy's discount rate was cut by one point to 16 per cent in what was interpreted as a signal for banks to reduce their prime rates. Bankers, however, were apparently unable to agree a uniform reduction.

According to one who attended the central bank meeting, it was stressed that the lowering of rates abould be seen as a recognition of progress in the economy and on the balance of payments. The liberalisation of Italy's interest rates structure was not intended as a general relaxation of monetary policy, which would still be tightly controlled through reserve requirements and less formal means.

Italy's official prime rate haa never given a precise indication of actual borrowing rates because many companies have borrowed at rates as much as one point lower than the ABI-set prime. The BNL cut, which was accompanied by a one point reduction in the maximum corporate lending rate to 23.5 per cent, was seen as partly political rather than a full market response.

"If we were completely free to respond to the market in Italy, we would come down by half to three quarters of a point. The extra half yon might call a goodwill symbol," commented one senior banker. Abont 90 per cent of the Italian banking system is state-controlled.

The prime rate was last lowered in January by a quarter point to 8.5 per cent. This was seen at the time as a political response to calls from Italian industrialists.

Greenland nearer to withdrawal from EEC

BY OUR BRUSSELS CORRESPONDENT

THE TERMS of Greenland'a withdrawal from the Community bave been largely settled in negotiabons between Denmark and its EEC partners. Subject to the final agreement of Bonn and then the ratification of all EEC parliaments, the territory'a EEC membership should end next January 1.

After gaining substantial autonomy from Denmark, the people of Greenland voted two years ago by a majority of 52 per cent for withdrawal from the EEC. The mobvation was entirely economic. Greenland's Government has argued that the local economy is too dependent on its fishing grounds to cede the advantages of free access to the *fishing fleets of other member* states.

Following more than a year of negotiations, foreign ministers have agreed a 10-year arrangement guaranteeing certain fishing rights for the EEC fleets in Greenland waters.

As the country principally affected by any curbs on access, West Germany's agreement is subject to the final endorsement of its cabinet.

Under the outline agreement, the Community will pay Ecu 26.5m ($21.96m) for a guaranteed catcb of 68,000 tonnes of cod, redfish and shrimps. If the allowable cetch, as determined by scientific evidence, is larger than 75,000 tonnes, then EEC fishermen are guaranteed 20 per cent of the extra fish.

Greenland will also be granted the status of an overseas country or *territory which gives its fish* products duty-free access to EEC markets and the country itself access to Community grants and loans.

Poland takes exception to bishops' letter

By Christopher Bobinski in Warsaw

THE POLISH authoribes have taken exception to a letter from the country's Roman Catholic bisbops which was read out in churches last Sunday and which, by implication, reminded Poles of the plight of Catholics in neighbouring Lithuania in the Soviet Union.

State censors have refused permission for the publication of the letter which announces that this year in the Polisb cburch is to be devoted to the memory of St Casimir, a Polisb prince who died 500 years ago. He is the patron saint of Lithuania.

Next month also marks the start of three years of celebrsbons of St Casimir by the hard-pressed Lithuanian church.

U.S. official holds talks in E. Berlin

By Leslie Colitt in East Berlin

THE U.S. Assistant Secretary of State for European Affairs, Mr Richard Burt, has held high-level talks with the East German Communist Party and Government, in the first U.S. bid for many years to improve relations with that country.

Mr Burt is the most senior State Department official to visit East Berlin since East Germany and the U.S. established diplomatic relations in 1974.

The U.S. diplomat was on the first leg of a three-nation tour of Eastern Europe to inform East Germany, Bulgaria and Hungary that the U.S. is prepared to begin a "more effective dialogue" with the Soviet Union and its allies. He left East Berlin yesterday for Sofia.

Mr Burt had previously acknowledged at a Nato meeting in Brussels that there were apparently diverging interests in Eastern Europe over the deployment of new Soviet missiles in East Germany and Czechoslovakia.

Herr Erich Honecker, the East German leader, said earlier this year that no one was "pleased" in his country about the deployment, but that the U.S. was to blame, after introducing new medium-range missiles into Western Europe.

Czechoslovakia expressed a similar sentiment, although both countries have publicly assured Moscow of their readiness to assume a greater defence burden.

Bulgaria is believed to have been urged by Moscow to accept Soviet missiles on its territory but to have refused. Hungary, while not due to receive missiles, has been actively promoting a dialogue between itself and Western leaders.

The U.S. diplomat met Herr Oskar Fischer, the East German Foreign Minister, and Herr Hermann Axen, the East German Politburo member responsible for internetional relations.

They discussed the U.S. interest in resuming the Geneva missile reduction talks with Moscow, as well as bilateral issues sucb as trade, humanitarian questions and the unsettled claims by U.S. citizens for nationalised property in what is now East Germany.

Mr Burt said afterwards that improved relations between the two countries could best be achieved by progress in these areas.

Guns, roses and insults in the second Basque election

David White in Madrid looks at the Socialists' chances of a poll victory

"YOU KNOW what my problem is?" asks Sr Txiki Benegas, 35-year-old Socialist contender for the post of Lendakari, (President) of Spain'a troubled Basque country. "Nobody helieves I'm going to win."

The second elections to the Basque Parliament, whicb are being held on Sunday, are more than just another local contest. The Basque question is one of the main issues on which the Left in Spain will be judged to bava succeeded or failed.

Closely watcbed by the rest of the country, the elections pit the Soclalist Party, ruling in Madrid, against the Basque Nationalist Party (PNV), ruling in the Basque capital, Vitoria. The result is that all the contestants are standing on a platform of opposition to one government or another.

Tbe Socialists, who flew in 50,000 Canery Island roses on the first day of the two-week campaign, are throwing their full weight behind the bid to reduce the PNV's comfortable lead.

Anything sbort of a big advance will be construed as a defeat for the Socialist administratlon, its first in 45 months of power. The Socialists have not found a solution to Basque terrorism—but nor has the conservative PNV in its four years of rule, although the rate of killlogs is lower than in the late 1970s.

Early hopes of a rapid change in cllmate soon dissolved. Multi-party peace talks, proposed by the incumbent Lendakari, Sr Carlos Garaikoetxea, in January, never got off the ground because the Socialists' demand for a truce on the part of Eta, the separatist guerrilla organisation, was not met. The war of words between the parties has now degenerated into the trading of insults.

Normal divislons between Right and Left count less than the divide between specifically Basque parties, which have had e clear combined majority, and all-Spain parties. The PNV, which held the capitsts of all three basque provinces in local elections last year, appears to have lost none of its strength despite a crisis last month between its leadership and Sr Garaikoetxea.

The row over the lendakan'a freedom of action and party disclpline, ahowed up serious tensions in the PNV structure. But for the popular Sr Garaikoetxee it turned into a vlrtual plebiscite from the party base.

The PNV took 25 out of the 60 seats in the Basque election in *1980*, a *de facto* majority since Herri Batasuna (HB), the party identified with Eta, refused to sit in a "paper parilament" wbere it bad won 11 seats. Polls suggest the PNV could now achieve an absolute majority in an expanded 75-seat assembly.

Biggest rivals

The Socialists, powerful in industrial areas auch as the grim left hank of Bilbeo's estuary, took only third place four years ago. Tbey are now the PNV's biggest rivals, althougb in Guipuzcoa, the province wblch borders France, it is still very doubtful if they can displace HB.

The unknown factor is how many of the 1.6m electors will vote. Abstentions, which were over *40* per cent in 1980, are reckoned to be most prejudiciel to the Socialists, whose strength is in the "immigrant" two-fifths of the population. In general elections, where turnout is higher, the Socialists have finisbed close on the PNV's heels.

The most interesting result will be HB's, which to some extent reflects Eta's standing. The party has had a fairly solid vote of around 150,000 but this time, unlike prevlous elections, Eta has not called a pre-ballot truce in order to help HB's campaign effort.

The fragmentation of other far-Left parties may help to limit defections from HB. But there are otber signs that ETA may be losing some of its support among the Basque population, such as declining sales of the separatists' newspaper.

More effective policing, plus Madrid's recent success in getting Paris to crack down on ETA's "sanctuary" north of the border, have made the organisation more vulnerable. Anxious to exploit waning morale, the Madrid Government has been sounding ont possibilities for rehabilitating ETA convicts who are ready to repent.

Sensing the danger, ETA responded eariler this month by shooting one of its ex-members in a bar, as a warning. A few days later, with equal lack of scrople, police gunned down one of those suspected of the sbooting. "There's a desire now to finish with ETA," claims Sr Xabier Arzalluz, the PNV leader.

The Socialists however accuse the PNV of an ambivalent stance towards ETA. They argue that the two have many aims in common end personal ties, and that the PNV can turn terrorism to its advantage as a way of pressuring Madrid.

Home rule

The PNV's argument is that it is better placed than anyone else to weaken the terrorists, by pulling the carpet from under them. Political measures securing a greater degree of home rule, it maintalns, would leave ETA as a fringe Marxist-Leninist organisation without a popular base. Sr Arzalluz's cynical simile is that ETA is like the froth on the beer, which needs to be scooped off.

Antonomy has given tbe Basque country back special tax rights (which means it collects its own revenue and peys tbe stata only for services rendered), promoted the Basque language (now compulsory for local civil servants), brought a Basque television channel (where films are dubbed into Basque with Spanish subtitles), and seen the setting-up of a Basque pollce force.

Bnt the new police with their red berets, so far numbering about 1,200, are mostly on traffic duty. Madrid bas resisted banding over any command role in the fight against terrorism, regerded as a national and even international problem.

Difficulties have arisen over the banding over of powers, such as adminlstering soclal security payments to Vitorie. The Basque government complains of constraints on its freedom over education pollcy and of the challenging in the courts of local legislation by Madrid.

Since Right-wing army officers made their bid to overthrow the Spanish Government three years ago, Madrid has reined back on bome rule, bringing in a uniform decentralisation instead. In the Basqoe country, says Sr Arzalluz, this has produced a vicious circle. Eta, by raising the hackles of the military, preveots Madrid from going further, and Madrid, by restricting autonomy and imposing tongh anti-terrorist laws, provides fuel for Eta. Relations with Madrid have got worse since tha Socialists have been in power.

Under its current Andaluclan leadership the Socialist Party is seen as having returned to old centralist traditions. Although the PNV was allied with the Socialists in opposition to tha rule of General Franco, it now eccuses them of taking a totally different stance. Sr Benegas, wbose poster has been all over the Basque conntry since wall before the official start of campaigning, is charged with abandoning causes he supported five years ago.

Being in government has led the Socialists to make an urgent reconsideration of priorities. "Nobody in politics says the same things he said five years ago," says Sr Benegas.

Majority likely for Danish Bill

By Hilary Barnes in Copenhagen

DENMARK's non-Socialist minority coalition Governmant is expected to obtain a substantial majority in voting for the 1984 Finance Bill in Parliament today following a decision by the opposition Social Democratic Party to abstain.

Thanks to an unexpectedly repid recovery in domestic demand tbe Government now expects the 1984 budget deficit to decline from November's estimate by DKr 4.7bn (£331m) to DKr 54.2bn (£3.82bn), about 9.7 per cent of gross domestic product. Last year's deficit waa DKr 55.4bn (£3.9bn), about 10.7 per cent of GDP.

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 14 East 50th Street, New York, NY 10022.

Lebanese Christians split on move to drop treaty

BY PATRICK COCKBURN, MIDDLE EAST CORRESPONDENT

LEBANON'S CHRISTIAN community is sharply divided over plans by President Amin Gemayel in abrogate the May 17th agreement on troop withdrawals between Israel and Lebanon.

Former President Camille Chamoun and the Lebanese Forces — the Christian militia — have both denounced any move to drop the treaty unconditionally or to strengtben links with Syria.

However, President Gemayel remains under heavy pressure from the Lebanese opposition, Syria and Saudi mediators to make terms with Damascus. Prince Bandar bin Sultan, the Saudi ambassador to Washington wbo is in Damascus expressed optimism yesterday that a solution to the crisis could be found.

As efforts coutinued to end the diplomatic deadlock U.S. marines were continuing to close down tbeir base next to Beirut international airport. Helicopters carried equipment between the base and over 20 ships of the Sixth Fleet cruising offsbore.

Marines are burning wood and other construction materials used to build deep bunkers and even blow up yesterday a bulldozer which had become stuck in the sand of the beach used by American landing craft.

The Druze militiamen watching the American departure appeared quietly triumphant. A Druze fighter, whose wife came from Florida, watched helicopters lift civil and military vehicles back to the vessels offsbore. "They will never return," he said.

The level of violence has dropped since the success of the Druze successes against the army and the take-over of West Beirut by the Shiah political movement Amal. There is little sign that either the army or the Christian militia are prepared for a serious counter-attack.

Druze villagers overlooking the American base were returning home yesterday. "That is happy gunfire" said a Druze as militiamen fired their kalasbnikovs into the air. In the plain below the marines were using incendiary devices to destroy equipment, each charge exploding with a bright white flare.

Beirut bas remained calm while the Americans evacuate their troops, but there are fears on both sides that the fighting will intensify unless the diplomatic deadlock is broken.

Despite the denunciation of movea to abrogate the Lebanese Government's agreement with Israel there is title chance that President Gemayel will be overthrown by bis fellow Christians.

The only alternative policy to an agreemeot with Syria is a firm understanding with Israel, but diplomats in Beirut believe that the Israelis will limit their support for the Christian militia. The Cbriatian leaders seem divided on future policy but President Gemayel appears to be atill in control of hia own community.

Budget finally tabled in Israel

By David Lennon in Tel Aviv

A PROPOSED budget, designed to curb Government spending and cut the standard if living in Israel during 1984-85, was tabled in tbe Knesset yesterday by Mr Yigal Cohen-Orgad, the finance minister.

Because of the difficulty in forecasting inflation, currently running at over 200 per cent annually, tbe nominal Shekel 4,300 bn (£22.7bn) budget will be adjusted every three montbs according to the inflation rate, the level of revenues, and the state of employment.

Presentation of the budget follows months of wrangling between Government departments and the Finance Ministry, during whieb Mr Coben-Orgad forced all Government ministers to accept budget cuts.

As usual in recent years, almost two-thirds of the budget is devoted to debt servicing and defence expenditures, even though the latter has been cut back in the new budget.

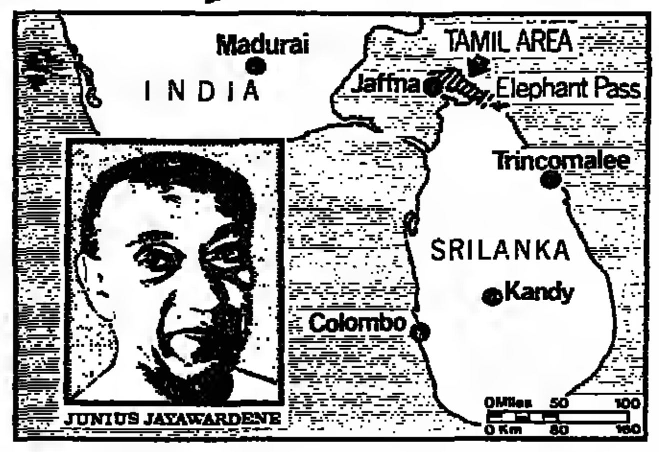
Presenting his first-ever budget, Mr Cohen-Orgad called on the public to face the harsh realities of Israel's economic situation.

This is nominally the largest budget ever tabled. Converted at the treasury exchange rate forecast of Sh 192 per U.S. dollar, it is equivalent to $22.4bn, also a record figure.

But Mr Gad Yaacobi, economic spokesman for the opposition Labour Party, described the proposal as "a budget without a budget" because it contains no forecast for prices during the coming fiscal year. Other critics described it as a paper exercise which failed to answer many of the basic questions.

Alain Cass, recently in Jaffna, sees little progress in inter-racial talks

Sri Lankan Tamils in a political trap



DRIVING across the half-mile-wide strip of sand which separates the Jaffna peninsula from the rest of Sri Lanka like a jugular exposed to a sudden slasb it is easy to understand both the temptation and the folly of Tamil separatism.

To the north of the lagoon and Elephant Pass lies the Tamil heartland, less than 100 square miles of habitable country crammed with nearly a million people, their backs to the sea.

A short ferry ride away lies India, haven for Tamil terrorist groups and spiritual home for Sri Lanka's Tamil minority. Cut the causeway at Elephant Pass and you have both a ready-made fortress and a hopeless trap.

It is now just over six months since the historic rivalry between Tamil separatism and the island's Sinhalese majority erupted in the worst violence of its kind, killing at least 400 people and driving 100,000 refugee Tamils to the north.

Intensive mediation by India between the two communities, skilful diplomacy by Mr J. R. Jayawardene, Sri Lanka's President, and restraint on both sides bave atopped, at least temporarily, the drift towards racial war.

Tourists are cautiously coming back to Serendip, the island's towns are regaining aome of their former bustle, wbile businessmen, even those who were hurnt-out, are rebuilding their shops and factories. The temptation to believe that things are back to normal is almost irresistible.

But this, as even the most sanguine Miniaters concede, is merely a trick of the eye. The recent round-table talks appear to bave made little headway.

There has been no new investment (foreign or tocal) to speak of aince last July's troubles. Virtually every botel on the island is making a loss. Busines profits are down by at least balf. Meanwbile, the International Monetary Fund is pressing hard for painful cuts which may be necessary to cure a stick economy but which, at a time of soaring inflation, is bound to make a political settlement more difficult.

"If we don't get a political settlement," said a senior official, "we can forget about economic recovery, and, if we don't get an economic recovery, a political solution becomes almost impossible to implement in the long run."

The talks between the Government, the Tamil United Liberation Front (Tulf) and leaders of the country's increasingly hard-line Buddhist culture are continuing in committees. The fear, now, is that, unless the framework of a solution which bridges the divide between Tulf demand for a seperate Tamil state and strident Sinhalese nationalism is found soon, then the extremists on both sides will intervene.

That, in turn, has raised for the first time the distant possibility of Indian military intervention on behalf of the Tamils, partly to assuage India's own Tamil sentiment and partly to demonstrate tbat New Delhi's writ runs across the subcontinent.

The tesaon of India's intervention in 1971 to carve Bangladesh out of East Pakistan as a home for the Bengalis is lost neither on the Sinhalese, who have always feared extinction by their powerful Hindu neighbour to the north, nor on the Tamils, who see India as their refuge of last resort.

Superimposed on this rift between competing cultures is the complication of superpower interest. Sri Lanka's position astride the sea lanes of the Indian Ocean and, in particular, the deep-water port of Trincomalee (once a major British naval base) gives the country an importance far beyond its size to the U.S. and the Soviet Union as they compete for influence in the area.

None of this is lost on the Tamil leadership, which plays the card of separatism with consummate skill. But, as its own supporters readily admit, that leadership has also become a prisoner of its own rhetoric.

Since last July's riots—in which Sinhalese mobs, often encouraged and sometimes led by the Sri Lankan armed forces, attacked Tamil communities—more than 5,000 young Tamils are believed to have gone to India to join the feared Tamil Tigers, Sri Lanka's Provos.

There is also a clear drift away from the TULF towards an even more hardline group of separatists. In the refugee camps in Jaffna, the fear is palpable. There is no confidence that the national authorities will protect them.

"We know a separate state makes no sense on an island this size," said one refugee who who lost a brother and a son-in-law whose eyes were gouged out before he was put to death, "but I can never trust the Sinhalese again."

The total breakdown in law and order at the time of the riots and the apparent failure to take any effective punitive action against the units involved by the Government has left the Tamil minority (and some Sinhalese) with a real fear that a new round of violence could lead to civil war.

One of the key issues between the Tamil community, Sri Lanka and India are the estimated 200,000 - 300,000 "stateless" Tamils of Indian origin working on the island's tea estates. A final settlement, in Tamil eyes, should see them getting full Sri Lankan statehood. "Not if they will stay to encourage a separate state," says the high priest who attends the round-table talks. "They should go back where they belong."

For the present Mr Jayawardene is exercising patience and restraint in the hope that, in time, both sides will see sense. He believes that there will be a solution because, as one Government official put it, the alternative is unthinkable.

But President Jayawardene, who is 76, does not have all the time in the world. There is concern that his patience may be interpreted as drift. Either way, the present initiative to resolve the conflict may, as another commentator put it, be the "first attempt and the last chance."

Violence continues in Punjab

POLICE tightened security in the Indian capital yesterday as asashins gunned down a politician's son and wounded two others in separate attacks in strife-torn northern areas, **Reuter reports from New Delhi.**

Officials said police mounted guard at places of worship in New Delhi to deter extremists from bringing their campaign of terror to the city. Five Sikh teaders were held by police when they tried tn visit trouble spots in Punjab.

About 40 people have died and some 300 have been injured in the past nine days in clashes between Hindu and Sikh militants in the North Indian states of Haryana and Punjab.

The Press Trust of India (PTI) news agency said gunmen killed Ashok Kumar, 22-year-old son of a local politician, on the outskirts of the Sikh holy city Amritsar. The politician, Krishhan Lal Sharma, was wounded in the attack.

The son of another politician was injured in a similar attack by armed men on his home in an Amritsar suburb early today. Davinder Sehgal was taken to hospital with a serious bead wound, PTI reported.

● A Delhi judge yesterday ruled in favour of Prime Minister Indira Gandhi in a property feud with her daughter-in-law Maneka. New Delhi district court said Mrs Gandhi was entitled to a third of her late son Sanjay's Rs 473,000 (£30,516) estate, rejecting Maneka's claim to control it.

S. Africa starts Angola pullout

SOUTH AFRICAN forces have begun withdrawing from Southern Angola into nelghbouring Namibia, Angolan Interior Minister Alexandre Rodrigues was quoted yesterday as saying. It was the first official confirmation by Angola tbat a pullback announced by Pretoria was in progress.

U.S. urges Japan to resolve 'vital' issues

BY JUREK MARTIN IN TOKYO

THE U.S. yesterday again urged Japan to resolve "as quickly as possible" the several outstanding issues of trade and financial friotion affecting relations between the two countries.

After two days of talks here, Mr Allen Wallis, the Under-secretary of State for Economic Affairs, outlined eigbt separate areas in which he called for "vital" Japanese proposals.

Mr Wallis is one of nn less than eight U.S. officials of under-secretary rank in Tokyo this week for discussions with Japan on assorted topics. Probably the most important session begins here today when Dr Beryl Sprinkel of the U.S. Treasury confers with his Japanese counterpart, Mr Tomomitsu Oba of the Finance Ministry, on opening up Japanese capital markets.

Earlier this week the Ministry of Foreign Affairs was reported as saying that Prime Minister Nakasone himself was prepared to take what was described as "a political decision" on one bone of contention — permitting U.S. banks, in collaboration with Japanese securities houses, tn engage in trust banking in Japan, until now off limits to commercial banks.

The inference was that the Ministry thought that the issue bad become too emotive to resolve bureaucratically and thus needed Prime Ministerial guidance.

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Currency black market thrives in Philippines

BY EMILIA TAGAZA IN MANILA

IN THE face of the chronic shortage of foreign exchange in the Philippines, one of the few thriving business sectors bere is the black currency market.

Companies are being forced to resort to illegal methods to obtain the dollars needed to maintain their operations. Those businesses which manage to earn some foreign exchange "salt" it away abroad for fear of a freeze on foreign currency accounts in the country.

So extensive have illicit dealings become that the Government this month set up a task force to investigate and prosecute so-called "dollar-salters," although this seems to have had little impact so far.

With the flow of fresh foreign loans and investments reduced to a trickle, strict trade and exchange controls are expected to continue until 1986.

Under the Government's current import control programme, only companies involved in priority industries —such as importers of oil and food and manufacturers for export—have access to legal dollars.

For non-priority companies, about the only source of dollars for imports is the black market.

● Fund transfers can be arranged, under which a company buys dollars from another company abroad in exchange for pesos paid in Manila. The black market rate for sucb deals is usually 50 to 60 per cent higber tban the official rate.

● Huge quantities of dollars and other hard currencies are still spirited out of the Philippines in the form of notes.

It ia estimated that capital flight since the assasainatlon of Aquino last August bas reached some $3bn (£2.1bn).

For dollar sallers, the most common practices are the over-pricing of imports and the underpricing of exports. The Government bas admitted that some $1.6bn in export earnings were unreported and unremitted to the Central Bank tast year.

AMERICAN NEWS

Pressure mounts for U.S. defence budget cuts

By Stewart Fleming in Washington

THE bipartisan Congressional Budget Office has warned in its first thorough analysis of the Reagan Administration's budget proposals that the President's defence spending plans may underestimate the funds required to buy the weapons and maintain the force levels requested.

The CBO alone will further intensify pressure on the Administration to trim defence spending.

President Reagan's budget proposals call for authorisations of $314bn (£224bn) and outlays of $273bn in fiscal 1985 which begins in October 1984.

In Congressional testimony on Tuesday, Mr Caspar Weinberger, the Defence Secretary, refused to suggest which defence items the Administration might be willing to forego.

But Mr James Jones, the Democratic chairman of the House Budget Committee, told Mr Weinberger that both Democrats and Republicans consider the defence spending plans to be too high, adding: "We hope we can count on your guidance as to where these reductions should be made."

Leading Democrats have announced that they will meet Administration and Republican leaders today to discuss the President's proposals for a $100bn "down-payment" of budget-cutting measures spread over three years.

In its budget analysis, the CBO says that after adjusting the Administration's figures for the high rates of inflation it assumes in the economy and in the defence sector, it comes out with lower real (inflation adjusted) defence spending figures than the Administration.

"The interplay of the dollar requests and defence spending prices is important," it says, adding: "If the Administration's dollar requests are accepted but the CBO's price assumptions prove correct the amount of money budgeted for would not be enough to buy all of the weapons requested or to support the force levels proposed."

Washington is distancing itself from Lebanon, but the problem will not go away, reports **Reginald Dale**

Weinberger 1, Shultz 0 as U.S. Mideast policy fails

IN THE past two weeks President Ronald Reagan's policy objectives in Lebanon have collapsed like a house of cards. Instead of the Israeli, Syrian and Palestinian "foreign forces," it is now the U.S. and European "peacemakers" who are leaving the country.

The army of President Amin Gemayel, which Washington had thought it was successfully rebuilding, has crumbled virtually overnight. Far from progressively extending his authority over the country outside Beirut, as Washington had hoped and urged, Mr Gemayel has lost control over almost everything but his own presidential backyard.

The political base of his Government has not been broadened—as Washington has for long insisted it should be—but narrowed, and the country is closer to the de facto partition that the U.S. has said should at all costs be avoided. The May 17 Lebanese-Israeli withdrawal agreement, once the centrepiece of Washington's efforts to reach a political solution, is a dead letter, and Mr Reagan, who promised never to "cut and run" in Lebanon appears to be going back on his word.

In Washington, Mr Reagan's chief foreign policy advisers were in open disarray over the withdrawal of the marines, and he has been accused by his opponents of presiding over the worst American debacle since the unravelling of Iran under Mr Jimmy Carter, his predecessor. The already sagging reputation of Mr George Shultz, the Secretary of State, has taken another sharp knock.

Mr Reagan, ever-cheerful, says that it is "unfair" to describe his Lebanon policy as a failure, on the vague-sounding grounds that "we're still engaged in the Middle East." But it is far from clear that the new U.S. approach, which seems to be to stand back from Lebanon and take another look at the broader Middle East picture, will prove any more successful.

From the Administration's point of view, however, the pullback of the Marines to navy ships offshore has made a big start towards getting Mr Reagan off a jagged political hook that looked like seriously damaging his re-election campaign.

If the Marines are no longer being bombed and shot at like "sitting ducks" at Beirut airport, Mr Reagan's Middle East policies as a whole should become less controversial at home. The American public has approved of their pullback to the ships, even if most people would like them out of the area altogether.

The pullback will also have defused a difference of view between the State Department and the Pentagon, but the circumstances surrounding the decision showed the Administration in an extremely bad light. Mr Reagan failed to impose a clear consensus on a feuding Cabinet, and the result was public confusion over the timing of the withdrawal and the future role of U.S. military involvement in Lebanon—particularly the use of the big naval guns offshore.

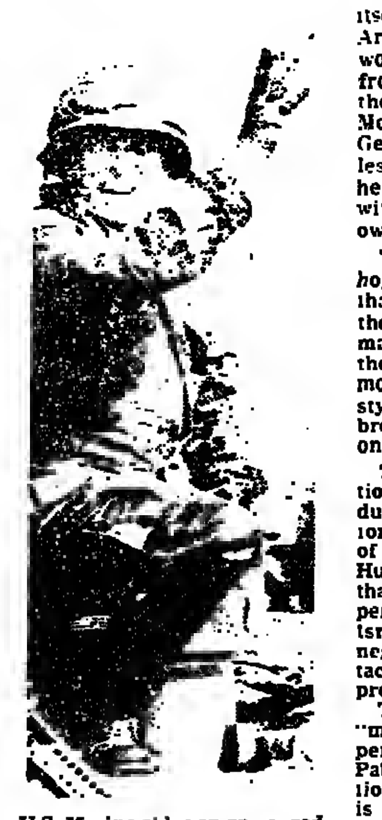
Mr Caspar Weinberger, the Defence Secretary, and the Joint Chiefs of Staff have long been opposed to the deployment of U.S. forces in a virtually defenceless position, with no military mission and no possibility of achieving a military victory. Mr Weinberger has argued for months that the Marines should be withdrawn.

Mr Shultz took the view that a military pull-out would threaten U.S. credibility as an ally, and indeed his own credibility as the sponsor of the May 17 withdrawal agreement, which the marines were meant to be there to supervise and which constitutes his only major diplomatic achievement to date.

His desire not to abandon Mr Gemayel and admit failure put him in the most militaristic position in the Washington argument—particularly as the role of the marines shifted from their initial purely policing role to increasingly obvious support for the Lebanese Army.

For a few brief days, Mr Reagan appeared to believe that he could have the best of both worlds—withdrawing the marines and providing "effective" support for Mr Gemayel through naval gunfire, while at the same time strengthening the Lebanese Army through increased training and military supplies. Now, with Mr Shultz's May 17 agreement torn up and Syrian influence inexorably advancing, only Mr Weinberger seems to have emerged as a winner.

The consequences for U.S. policy-making have been threefold. First, Washington is trying to play down the importance of Lebanon in the overall Middle East picture. Mr Reagan, who last October said that "peace in Lebanon is the key to the region's stability," now says: "Lebanon's troubles are just part of the overall problem in the Middle East."



U.S. Marine rides an armoured personnel carrier during the evacuation from Beirut

Secondly, the Administration is stepping back from efforts to solve the Lebanese problem by itself. Washington has distanced itself from the latest Saudi Arabian peace initiative and would prefer to see UN troops from other countries holding the ring if possible. Mr McFarlane says that if Mr Gemayel is to survive it has less to do with whether or not he has American backing than with Syria's calculation of its own interests.

Thirdly, there seems to be a hope in the State Department that with the marines out (and the Pentagon's role in policy-making accordingly reduced) there can be a move back to more classical Camp David-style diplomacy, in which the broader "peace process" can once again be addressed.

The first steps in this direction were taken last week during the visits to Washington of President Hosni Mubarak of Egypt and Jordan's King Hussein. Washington now hopes that the time is right to persuade King Hussein to join Israel in a renewed attempt to negotiations with Egypt and tackle the central Palestinian problem.

The U.S. also hopes that its "moderate" Arab friends can persuade Mr Yassir Arafat, the Palestine Liberation Organisation leader, to accept that there is no more future in violent confrontation, following his defeat in Lebanon, and authorise King Hussein to negotiate on the Palestinians' behalf. The way would then be clear to resurrect Mr Reagan's peace initiative of September 1 1982, which called for King Hussein to join talks on Palestinian self-government on the West Bank in association with Jordan.

It is acknowledged that there are risks for King Hussein in thus abandoning the majority Arab position—and further antagonising his Syrian enemies. The Administration believes that he can be persuaded to take such risks by U.S. assurances of military support and co-operation.

But there are numerous pitfalls. King Hussein is likely to be cynical about such assurances, which have done little for Mr Gemayel, or the Shah before him. In any case, the King and Mr Mubarak still differ strongly with the U.S. over how the Palestinians should be represented at the talks.

There is no reason to believe that Israel wants to talk to King Hussein or that King Hussein will want to talk to Israel without an Israeli concession on the West Bank settlements and/or withdrawal from Lebanon, or that Israel wants to have anything to do with the PLO directly or indirectly. In an election year, the Reagan Administration is unlikely to put much pressure on Israel, given the perceived electoral influence of the American Jewish lobby.

Mr Reagan has promised that he will not "shy away" from the peace process for electoral considerations. But the Administration's recent preference has been to strengthen links with Israel, through new forms of politico-military and trade co-operation, rather than to push Jerusalem to the negotiating table. Meanwhile, even if the marines leave Beirut, it does not mean that the Lebanese crisis will, or can, go away.

Santiago to increase public spending

By Mary Helen Spooner in Santiago

SR CARLOS CACERES, Chile's Finance Minister, has announced an economic recovery programme for this year including a 4.6 per cent fiscal deficit to be financed by $1.5bn (£1.0bn) in credits from foreign commercial banks and international institutions.

Sr Caceres said the International Monetary Fund had approved the programme, which foresees a 21 per cent increase in public sector spending and a 75 per cent rise in state company investment.

An earlier agreement with the IMF signed last year provided for a fiscal deficit of 2.3 per cent of gross domestic product, a condition Chile found difficult to fulfil.

General Augusto Pinochet's regime is hoping the increased public spending will help alleviate Chile's severe unemployment, currently running at 17 per cent in greater Santiago. Another 8 per cent to 12 per cent of the labour force is enrolled in government work projects.

This year's budget is based on an estimated average price for copper, Chile's chief export, of 75 cents per pound —10 cents higher than the present world market price.

The Finance Minister predicted that Chile would increase exports by 7 per cent this year, and would enjoy a trade surplus of $1bn.

Peter Montagnon writes: Sr Caceres added in his statement that the Bank for International Settlements in Basle had agreed to maintain a credit granted to Chile last year.

This is believed to refer to an advance granted by the BIS totalling $550m which falls due this month. The advance was not publicly reported at the time. It was first arranged because it forms part of the BIS' routine business.

It is not a bridging loan and is secured against foreign exchange deposits placed by the Chilean central bank

Senior BIS officials have said recently that the Basle-based bank would no longer participate in short-term bridging loans for developing countries in debt difficulties.

Caracas softens IMF measures

BY KIM FUAD IN CARACAS

THE ADMINISTRATION of Venezuelan President Jaime Lusinchi has rejected an IMF call for a flat devaluation, a five-fold increase in domestic fuel prices and the elimination of all subsidies, import restrictions and price controls.

Sr Lusinchi and key members of his Cabinet revealed in briefings this week some details of the forthcoming economic measures to be announced shortly.

The measures, aimed at putting Venezuela's international and domestic finances in order, will parallel some proposals made by the IMF. Bankers consider these a prerequisite for refinancing Venezuela's estimated $34bn foreign debt.

Sr Lusinchi, however, has stressed that a number of the IMF proposals will be softened and some rejected because the full implementation of an IMF package would further depress an already stagnating domestic economy.

Under the measures considered by Caracas, the current multiple-tiered exchange rate system will be gradually narrowed to a single rate midway between the 4.30 preferential rate and the 13 bolivars per dollar free market rate.

The first step is expected to be an increase in the preferential rate to six bolivars for essential imports of food and medicines.

Domestic fuel prices will rise by about 100 per cent, wiping out an estimated $850m annual subsidy. Other subsidies will be phased out slowly.

Former navy chief testifies

ADMIRAL Jorge Anaya, former Argentine military junta member and navy commander during the Falklands war, yesterday testified before a military tribunal investigating charges that he and 15 fellow officers were negligent and incompetent during the 1982 conflict with Britain, AP reports from Buenos Aires.

The supreme military council ordered the arrest on Tuesday of Gen Leopoldo Galtieri, the wartime president, pending a decision on his possible court martial.

House building programme announced by Mexico

BY DAVID GARDNER IN MEXICO CITY

MEXICO yesterday announced a Peso 357bn (£1.5bn) housing construction programme, billed as the most ambitious the country has ever undertaken, along with a new mortgage scheme linked to the minimum wage rather than inflation-fed interest rates.

The programme, which represents a 142 per cent increase on last year's spending on public housing, is expected to provide 270,000 new or renovated houses and 434,000 jobs, according to the Government.

The programme is the latest in a series of palliatives designed to head off social discontent with the Government's fierce two-year austerity programme.

It also represents an attempt to stimulate the economy after last year's 4.5 per cent fall in GDP.

U.S. daily may print in Europe

By Our Foreign Staff

U.S.A. TODAY, the U.S. daily newspaper launched only 17 months ago by the Gannett publishing group to try to capture a national readership, has set up a task force to explore the possibility of printing and sale in Europe and the Pacific region.

Gannett has already surprised many sceptics who doubted that it would ever be able to achieve a substantial circulation for a nationally produced newspaper. It has expanded extremely rapidly so far, building up to sales of well over 1.3m daily, by using 22 printing plants spread across the U.S.

The plants are owned principally by the Gannett group, one of the largest U.S. publishing empires, which made net profits of $60.8m last year. The paper is put together in the Washington area, using a team of 375 journalists, and beamed by satellite to the production units.

Gannett has aimed U.S.A. Today at a lower income group trying to attract middle income readers in their 20s and 30s who have some college education.

The newspaper has also proved to be a radical innovator in its use of colour, which it splashes around generously, and with great effect, in some of the most expressive graphics of the financial markets available in any U.S. publication.

Under recently announced expansion plans, it is aiming to have 16 pages of colour in a total of 48 pages.

Ottawa is pushing to boost domestic manufacturing, **Nicholas Hirst** reports

Canada seeks Japan car partnership deals

UNDER continuous political pressure to alleviate unemployment and increase domestic manufacturing, the Canadian federal government is pushing Japanese importers to produce cars and parts in Canada.

Canadians look with envy and a touch of fear at the partnership deals and the U.S.$3bn (£2.1bn) the Japanese are investing in car production in the U.S. Canada wants its share.

Last month, Mr Edward Lumley, the Canadian Industry Minister, went to Japan to try to get it: "What wa are after here is parts production, assembly and parts procurement," he said. The scarcely veiled threat is that without investment in Canada, the Government will force ever tougher "voluntary" import restrictions on the Japanese.

After the rise in petrol prices following the Iranian oil crisis, the small, fuel-efficient Japanese cars flooded into Canada as the North American industry with its larger, heavier models, plunged into deep recession. The Japanese market share leapt from 14.8 per cent in 1980 to 23 per cent in 1981.

Import quotas negotiated with the Japanese and an increase in demand for North American-made cars cut the Japanese market share sharply last year to 20.9 per cent from 25 per cent in 1982.

An initial quota of 174,000 cars was cut to 153,000 for the year ending March 31. A new level has yet to be negotiated. The U.S. has already agreed to increase its quota by 10 per cent.

Importers in Canada believe the Government is deliberately dragging its feet and the Canadian branch of the Japanese Automobile Manufacturers' Association is warning dealers they may have to face a further cut.

PASSENGER CAR SALES IN CANADA BY ORIGIN AND MARKET (%)

	Total	North America	Japan	Europe and others
1978	988,890	815,994 (82.5)	113,166 (11.4)	59,730 (6.0)
1979	1,003,008	863,554 (86.1)	79,879 (8.0)	59,575 (5.9)
1980	932,060	740,767 (79.5)	138,107 (14.8)	53,186 (5.7)
1981	904,194	646,942 (71.5)	207,639 (23.0)	49,614 (5.5)
1982	713,481	489,435 (68.6)	178,174 (25.0)	45,872 (6.4)
1983	841,200	616,000 (73.2)	175,700 (20.9)	49,500 (5.9)

Source: 78-82 Statistics Canada
83 Estimates: Motor Vehicles Manufacturers Association of Canada

Last year the Government commissioned a report on the future of the automotive industry, by a committee of eight representatives of Canadian manufacturers and the autoworkers' union. Its recommendations have been criticised as being heavily partisan, but they cannot be ignored.

The Canadian automobile industry is tha seventh largest in the world. It is the largest industry in the manufacturing sector, accounts for 6 per cent of manufacturing employment and 10 per cent of the value of total manufacturing shipments. Assembly and parts manufacturing is concentrated in Ontario, the province with the largest population where traditionally, federal elections are won and lost.

Governments ignore the wishes of the domestic auto industry at their peril and the unpopular Liberal administration of Prime Minister Pierre Trudeau faces an election within 12 months.

The car industry report made three crucial recommendations: to increase Canadian content of foreign cars whose sales exceed 28,000 a year to 60 per cent by 1987; to alter the purchase tax structure which now benefits imported models, and to impose duty on imported cars from developing countries which at present enter Canada duty free.

In his February 15 budget, Mr Marc Lalonde, the Finance Minister, altered the purchase tax structure to remove the benefit for imports.

The Canadian content issue is technically "under review." The car industry committee wanted to negotiate an "auto-pact" with the Japanese, similar to the one set up in 1965 with tha U.S., which brought about an integrated duty-free North American automotive industry.

The Government recognises it would be unlikely to get the Japanese to agree to 60 per cent Canadian content and has said it is not prepared to legislate to achieve it. But it is looking for a commitment.

The recent Throne speech, setting out the Government's programme declared: "The Government intends to seek a Canadian-Japan auto agreement for the benefit of both countries, leading to additional production facilities and parts procurement in Canada."

Mr Lumley came back from Japan with a commitment by the Japanese automobile makers and parts manufacturers to invest C$4m "to investigate opportunities in Canada." He also received proposals for C$200m of investment, but remains cautious on the outcome. "I am an optimist," he said, "but seeing is believing." Clearly the Canadians have not yet got anything like the commitment they want.

Toyota has already invested in a wheel plant in British Columbia, but the chances of persuading Japan to put an assembly plant in Canada seem slim. "An assembly plant in Canada is out of the question," said Mr Christopher Cooke, director of the Canadian branch of the Japanese Automobile Manufacturers' Association.

Economies of scale, he said, would necessitate a one-modal plant producing 200,000 cars a day. The largest Japanese importer to Canada, Honda, sold 54,000 cars last year. Any plant in Canada would have to sell to the whole North American market, and that would involve negotiations with the Americans.

The Japanese also question the case made for them to invest heavily in Canada. Canada runs a trade deficit in manufactured goods with Japan, but last year Canada had an overall trade surplus with Japan.

Mr Cooke pointed out that employment in the Canadian industry is close to its peak. Total vehicles produced in Canada last year at 1.5m was the highest since 1979 and in the first 11 months of 1983 Canada ran a massive C$3.4bn trade surplus in automotive products with the U.S. and a surplus of C$1.9bn with all countries.

Canadians are concerned, however, that the surplus with the U.S. may not continue and revert to the deficit of the past. The big Canadian producers are subsidiaries of the American multinationals, General Motors, Ford and Chrysler.

Under the 1965 autopact they have only to produce as many cars in Canada as they sell. The Americans have invested C$4bn converting Canadian plants to modern fuel-efficient models and at the moment the ratio is running approximately two to one in Canada's favour. But if the huge trade balance continues, Canadians fear complaints in Washington.

The Canadians have been successful in attracting European manufacturers. Volvo has an assembly plant in Nova Scotia, and Volkswagen is completing a parts plant in Ontario. In return, Volkswagen cars are to be imported into Canada duty-free.

Optimism for Mexican economic recovery

BY OUR MEXICO CITY CORRESPONDENT

WHARTON ECONOMETRICS, the Philadelphia-based forecasting organisation, is predicting higher growth and inflation for Mexico this year than anticipated in the two-year austerity programme the Government has agreed with the IMF.

Wharton, whose authoritative model of the Mexican economy has tended over the past two years to supply slightly optimistic projections, expects a rise in GDP of 2 per cent and inflation of 48–50 per cent this year. The government plan forecasts growth of up to 1 per cent after last year's fall in GDP of approximately 4.5 per cent, and aims to halve inflation to 40 per cent.

The Wharton forecasters believe that the fall in inflation will be smaller because of planned price rises on a range of the 300 goods and services still held down by government subsidy, and because they expect a political decision to ease the squeeze on wages, which they foresee rising by about 50 per cent.

The minimum wage was raised 30.4 per cent in January, and a further rise, which Wharton believes will be of the order of 15 per cent, is due in July. These rises would follow a fall in the real purchasing power of the minimum wage of about 30 per cent over the past two years.

Wharton bases its belief that the Mexican recovery, will begin earlier than expected on a moderate revival of private investment of 7 per cent – after a two-year fall of 45 per cent – and a pick-up in demand.

In addition, it foresees the Government using most, if not all, of its 277bn pesos ($1.65bn) contingency investment fund, equivalent to about 1 per cent of GDP, in the second half of the year.

Most of these funds, they point out, could be siphoned off from the banks, where flat demand for credit has built up excess liquidity.

U.S. chips criticised

BY LOUISE KEHOE IN SAN FRANCISCO

U.S. SEMICONDUCTOR chip makers received a stunning blow from one of their major home customers this week when Hewlett-Packard pronounced that Japanese memory chips are more reliable than the same U.S.-made devices.

"The best U.S. vendor of 64K dynamic random access memory chips (DRAMs) is now three times less reliable than the average Japanese vendor," said Robert J. Frankenberg, General Manager of Hewlett-Packard Computer Systems Operations.

Hewlett-Packard buys 64K DRAMs which are used to store data in computer systems from eight companies – four Japanese and four American.

Previous H-P statements about the superiority of Japanese chips jolted U.S. chip makers into efforts to improve their products, Mr Frankenberg reported.

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Kraftwerk criticises nuclear power export credit insurance

BY JOHN DAVIES IN MUELHEIM

KRAFTWERK UNION (KWU), the West German power station builder, has criticised the country's export credit insurance coverage for nuclear power projects as "inadequate."

Because of a shortfall in West German coverage, KWU said it would have to divert orders for equipment for any power projects to suppliers abroad who could get export credit insurance in their own countries.

KWU, a subsidiary of Siemens, the West German electrical concern, has received export credit insurance coverage of DM 1.4bn (£350m) for a possible Turkish nuclear power plant order worth about DM 2.3bn.

It has also applied for insurance coverage for another possible power plant project and harbour facilities in Egypt estimated to cost about DM 3bn, but no insurance decision has yet been made.

Herr Klaus Barthelt, KWU's chief executive, said the company had to swallow the "bitter pill" that it could not hope for 100 per cent coverage on export projects.

This meant it would have to go to the trouble of diverting orders to foreign suppliers, even though their standards were not always as high as those of West German companies.

In the Turkish deal, this would mean diverting as much as DM 900m-worth of orders abroad, he said.

Export credit insurance in West Germany is administered by Hermes, a private company, but it is determined by the Bonn Government.

Because of mounting losses, Hermes has adopted a cautious attitude to business with developing countries with debt problems and is due to put up its premiums in April, a rise already postponed three months.

Herr Barthelt said that although the world economy seemed to be recovering, the debt problems of many countries stood in the way of power station orders.

Orders could be obtained only if they were accompanied by credit and the West German Government did not show an overwhelming desire to arrange Hermes coverage for such projects, he claimed.

KWU is one of three bidders who have all received letters of intent for nuclear power plants in Turkey, the others being AECL of Canada and General Electric of the U.S.

Taking a cautious view, Herr Barthelt said KWU hoped to know in the next few months whether it would in fact get the go-ahead for a 1,000 MW pressurised water reactor to be built at Akkuyu.

KWU results Page 21

Brazil's Acominas steel project faces shutdown

BY ANDREW WHITLEY IN RIO DE JANEIRO

ANOTHER SAD chapter in the recent history of the $5bn (£3.5bn) Acominas steel project — once the pride of British industry and finance in Brazil — opened this week when the 19 subcontractors on the site sent out dismissal notices to their remaining 2,500 workers.

The Brazilian subcontractors say they will halt all work on the steel complex, which has been over 80 per cent complete for the past two years but was subsequently starved of government funds, if they are "not paid their back debts" of Cr18bn ($16m) at the current exchange rate, within a month.

Acominas is firmly at the bottom of the government's list of priority projects for completion. The subcontractors who include several major Brazilian companies, claim they have not been paid since last August.

This year the steel complex owned largely by the state Siderbras group was tentatively allocated a budget of only Cr 50bn, none of which has yet been released. But to bring its billit mill, being built by Davy Loewy, on stream by the end of this year as planned Siderbras officials say $240m is needed.

Duracell attacks U.S. 'grey market'

By Nancy Dunne in Washington

DURACELL, the U.S. battery producer, has mounted a two-pronged assault against "grey marketing"—the practice which allows products manufactured abroad bearing U.S. trade marks to be imported into the U.S. without the consent of the trade-mark owner.

In a complaint filed with International Trade Commission (ITC), Duracell claims several U.S. retailers and wholesalers are violating U.S. law by importing batteries produced by Duracell's Belgium affiliate and under-selling the domestically manufactured batteries.

Duracell is also pressing the Treasury Department to change a Customs regulation which makes the practice possible.

The strong U.S. dollar has made Belgian-produced batteries a bargain in the U.S., where they are selling at prices at least 20 per cent below those offered Duracell's best wholesale customers, the company says.

However, according to the complaint, the foreign-made Duracells are "of inferior quality as a result of shipping, handling and storage" that are not subject to the company's control.

Duracell says the foreign batteries are getting a "free ride" on millions of dollars the company spends on advertising and marketing.

It claims it has to ask the ITC or Treasury to restrain foreign battery sales in the U.S. because its affiliate cannot prevent U.S. importers from obtaining the batteries overseas.

The ITC is expected to hear the case in April and render a final judgment a few months later. A favourable decision may bring dozens more "grey market" complaints because the practice is on the rise, according to Mr Scott Gilbert, an attorney representing the Coalition to Preserve the Integrity of Trademark.

Turkey, Iran sign ship repair pact

Turkey and Iran have signed a transport agreement which calls for repair and maintenance of Iranian ships in Turkish shipyards, AP reports from Ankara. A communications Ministry statement said Turkey may also build new ships for Iran.

William Chislett reports on an experiment being keenly watched in Washington

Mexico aims to be more self-sufficient

THE MEXICAN beer industry is selling its products in bottles rather than in imported aluminium cans.

More domestic appliances and furniture are being produced from wood instead of imported plastics. Hundreds of workshops have reappeared which are reconstructing broken machines and parts bought abroad.

The heavily devalued peso — from 25 pesos to the dollar to 170 pesos in two years — and an acute shortage of foreign exchange are generating an import substitution movement which, if it is lasting, could have widespread implications for Mexico's trading partners, particularly the U.S.

Mexico's imports dropped 44 per cent last year to about $7.8bn (£5.5bn) because of the country's fiercest recession in 50 years. This enabled Mexico to achieve a record trade surplus of $13.2bn.

To the Government's amazement, the fall in imports occurred without creating serious bottlenecks in production. Officials believe this underscores the surprising elasticity of the economy.

The Government estimates that Mexico saved $1.8bn last year because of import substitution. It is impossible to say with any precision how much of this figure can be attributed to import substitution in the proper sense of finding alternative domestically-produced goods or making products for the first time, and how much is due to factors such as excess capacity and high inventories built up during Mexico's oil boom.

Imports represented 7.1 per cent of aggregate domestic demand — defined as gross domestic product plus imports minus exports — last year, compared to 10.1 per cent in 1982 and a record 14.7 per cent in 1981 when the Mexican economy was overheated and the peso was heavily overvalued.

This yardstick shows that Mexico's dependence upon imports has decreased. But it remains to be seen whether this is a temporary phenomenon which will disappear once the economy returns to its traditional growth rates of 5-6 per cent.

Mexico's attempts to become less dependent on the outside world and introduce structural changes are being keenly watched in Washington which is wrestling with a growing overall trade deficit.

President Miguel de la Madrid

U.S. exports to Mexico have plummeted from a high of $17.4bn in 1981 to an estimated $9.2bn in 1983.

Mexico, the U.S.'s third largest overseas market after Japan and Canada and which has long run a trade deficit with the U.S., registered a surplus of about $7.5bn last year, double its 1982 surplus.

The Government of President Miguel de la Madrid says it is determined to encourage import substitution and avoid a repetition of the wasteful years of Mexico's economic boom from 1978 to 1981 when the economy in real terms, by an average of 8.5 per cent a year and several billion dollars, were spent on unnecessary imports.

In 1981, the peso was so overvalued — by 30 per cent in December of that year, using a parity index based on wholesale prices — that many companies found it much cheaper to import.

Demand did outstrip the offer of many products. But many other items available in Mexico were still imported because it was cheaper.

Even toilet paper was imported and a tile company in Monterrey found it cheaper to buy sand in the U.S. than in Mexico.

Had this trend continued, Mexico was in great danger of becoming a throw-away society. It was so cheap to import, that companies did not bother to investigate whether the same product could be made at home.

When Sr de la Madrid took office at the end of 1982 the Bank of Mexico set the peso at 150 to the dollar in order to conserve the few dollars then available.

Inflation of 80 per cent last year has eroded much of this.

The central bank estimates that the controlled rate currently 150 pesos to the dollar as opopsed to the free rate, is now reckoned to be about 10 per cent undervalued.

The central bank intends to keep an undervalued edge, but not too much because life is already uncomfortable for those companies with large external debts. Debt servicing costs have risen 600 per cent in peso terms in the last two years.

The most promising areas for import substitution are basic chemicals and petrochemicals. This can be seen from the fact tbta last year consumption of basic chemicals declined 6.2 per cent while production rose almost 9 per cent. The difference is explained by more chemicals being produced in Mexico.

Dependence on petrochemicals will also be considerably lessened when the La Cangrejera complex is completed.

Economies of scale and outdated technology make it impossible for Mexico dramatically to reduce its high dependence on imports. But the present situation does indicate there is room for manoeuvre.

Caricom moves to mend fences

BY CANUTE JAMES IN KINGSTON

MEMBERS of the 13-nation Caribbean Economic Community (Caricom), the region's trading organisation, appear determined to halt what appeared to two months ago to be certain disintegration.

The Community has been crippled by long rows about alleged abuses of trading regulations, which were exacerbated by political divisions over last October's U.S.-led invasion of Grenada, a Caricom member.

At a recent meeting in Guyana of the Ministerial Council, the Community's second highest forum, delegates spoke of the need to end their differences and concentrate on rebuilding the organisation.

Statements of support came from the representatives of Guyana and Jamaica. Only two months before, Mr Forbes Burnham, the president of Guyana, had described Caribbean Community leaders who backed the Grenada invasion as being "puppets and satellites"

While Jamaica, Barbados and smaller island nations fully supported the invasion, the act was criticised by Guyana, Trinidad, Belize and the Bahamas.

The new-found unity was remarkable given the differences of opinion between Mr Burnham and Mr Edward Seaga, Jamaica's Prime Minister, who at the time of Grenada alleged that the Guyanese president "had informed Grenada's military rulers of the impending invasion."

Mr Seaga even made an effort to have the Community's treaty re-written to exclude Guyana — a proposal which was dismissed by Antigua and Trinidad.

The Jamaican leader said also that he would never again sit at the same table with leaders who had criticised the invasion. However, Mr Roderick Rainford, the Community's secretary general, has said plans are going ahead for the scheduled summit in July in the Bahamas.

The Ministerial council meeting was dominated by the apparent need to mend fences in the wake of the invasion. Consequently, the still-contentious trade disputes which last year held the volume of regional trading to an estimated $650m (£464m) were not resolved.

The Community, which comprises 4.5m people, still has to resolve such fundamental matters as adherence to rules-of-origin criteria for goods which can claim preferential access to members' markets, as well as put in order a multilateral trade payments scheme.

The new mood of optimism for the future of the Community was indicated by Mr Tom Adams, the Prime Minister of Barbados, who has offered an olive branch to Trinidad after both had been at loggerheads for several months.

"I remain very strongly committed to the hope that Trinidad will in the near future abandon its negative attitudes and go on a more positive line and join with us," Mr Adams said.

Cheysson visit aims to improve Nigerian link

BY PAUL BETTS IN PARIS

M CLAUDE CHEYSSON, the French foreign minister, will become today the first senior French government official to visit Nigeria since the Left came to power in France in 1981.

M Cheysson said yesterday he had been invited to Lagos by the Nigerian authorities. The talks between the French minister and the Nigerian Government are expected to centre on a wide range of subjects from Nigeria's specific economic problems, to the problems of Africa and Central Africa in particular.

But M Cheysson declined yesterday to discuss the details of his two-day visit. However, bilateral economic problems are bound to be one of the dominating subjects of the talks at a time when Nigeria is seeking to reduce its Western imports, increase its oil exports to the West and renegotiate its trade debts with its main Western partners.

Nigerian trade payments arrears with French companies are calculated to total about FFr 10 billion. Major French construction and engineering companies have large interests in Nigeria. These include groups like Dumez, Bouygues, while the Peugeot car group has operated a big car assembly plant at Kaduna since 1975.

Moreover, Nigeria is the second largest supplier of crude oil to France after Saudi Arabia. Nigerian oil imports account for nearly ten per cent of annual French oil imports and is the main reason for a French trade deficit averaging FFr 4 billion a year with the West African country.

Since the Nigerian coup, General Buhari has sent his special envoy Mr Liman Ciroma to France and other trade partners last month.

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JOBS COLUMN

Why headhunters should ask clearer questions

BY MICHAEL DIXON

WHEN YOU unexpectedly receive a telephone call or a letter from an executive-search consultant asking you if you can recommend anyone for some alluring job, what does it really mean?

According to the folklore which has developed since the personal-approach methods of executive search spread to Britain from America 25 years ago, an inquiry like that is actually inviting you to be a candidate. It's just that, in this socially pussyfooting country at least, the headhunter feels it would be ill mannered to tell you so directly unless, of course, you had been properly introduced to one another beforehand.

But there have been suggestions of late that executive searchers are beginning to stand the grand old British tradition of oblique approaches entirely on its head. Take for instance the experience reported a few days ago by a reader who asks for anonymity:

"I was phoned by a man from Russell Reynolds asking if I would be interested in a position with a well known group. It was a very good appointment, if slightly too senior for me.

"Being flattered to be asked, naturally I responded quite positively to his probing until during the discussions I stopped to ask myself why he was asking so many detailed question about my immediate superiors (such as who they were, what were they like to work with and where were they working now).

"When cross-questioned by me as to why such information was required, he immediately ended the conversation with the comment that he did not consider that I was suitable, and rang off. Of course, I now know that he was not interested in me. He only wanted to find out about more senior candidates with whom I had worked."

Now whether or not the conclusions drawn by that reader are justified is open to dispute. If Russell Reynolds cares to make a comment I shall be glad to pass it on as soon as I can. Otherwise that particular claim must be viewed as merely an allegation, at least as likely as not to be based on a misunderstanding.

All I can say is that it must surely be in the interest of all search consultants to minimise the risk of misunderstandings by spelling out clearly to their contacts whether they are being approached as potential candidates or as sources of information.

Where the approach is just for information—such as when the headhunter, however unflatteringly, is really asking you only to recommend somebody else for the job—there is another question, also raised by the same reader.

If you do recommend someone, and that person gets the job, the headhunter is paid a fee by the employer. Is it not only just, therefore, that you as the one who originally identified the recruit should receive a part of the headhunter's fee?

The reader says he has several times offered such a deal to search consultants who have asked him to recommend candidates. "Needless to say, this has not been responded to although I feel that such a reply on my part is totally reasonable."

What, I wonder, might headhunters have to say about that.

High price

DEMAND BY computer companies for experienced sales staff has been growing to the extent that some would-be recruiters thereof have apparently been left almost ludicrously far behind. Advertisements offering earnings of £25,000 or thereabouts are still fairly common even though the going rate at the top end of the market is now around £80,000.

Today Richard Addis of Tyzack and Partners comes to the Jobs Column with an offer which tops even that. He wants to hear from people with a record of outstanding success in selling mainframe computers for an unspecified number of posts at the various United Kingdom regional offices of the subsidiary of a United States group.

(Since he may not name the client he, like the other recruiters to be mentioned later, promises that any applicant who so asks will not be identified to the employer without further permission.)

Top quality candidates, he says, can realistically expect "telephone number earnings."

I must confess having been somewhat bemused by that statement at first. It seems to imply a figure for earnings which, leaving out the "£" sign at the front, would be long enough to resemble a telephone number. The trouble is that telephone numbers differ in length.

For example, Mr Addis's own number at Tyzack and Partners (the address for inquiries is 10 Hallam Street, London W1N 6DJ) is 01-580 2924. Even if you lop off the "01-" which represents only the London area code, it still leaves him with seven digits. But that is relatively small stuff. I frequently make calls to people whose numbers consist of 10 digits apiece.

So could it be that his cryptic phrase referred to an earnings range between £1m and £10m a year?

"I fear not," he replied. "We're talking about the £100,000-plus bracket in fact."

Since that makes the earnings figures reasonably clear, I suppose we ought to be satisfied. But it still leaves me with an underlying quandary. Where did Richard Addis get the idea that telephone numbers are only six figures long?

Scalpel!

IF YOU happen to be employed as an assistant in a hospital operating theatre, I'm told, you do well to be quick on your feet. For every now and again you may need to take evasive action as some sharp or pointed surgical instrument comes flying across the room.

The reason is that some surgeons are highly fastidious about the instruments they use and expect the supporting staff to know their detailed preferences. If they are handed a scalpel, say, which is not of precisely the style they favour, they chuck it peevishly over their shoulder. Which helps to explain the continuing pressure on manufacturers of surgical instruments in Britain to make each of them as almost a one-off job. Which barrier to the use of efficient production methods help to explain why such companies find it hard to be profitable.

The task of breaking out of such a stultifying cycle is the main challenge for the commercially minded as well as technically qualified production or mechanical engineer being sought by Stewart Mitchell of P-E Consulting Group (166 Piccadilly, London W1V 9DE; tel. 01-409 2667).

The recruit, who will also be an experienced manager, will be based not far from London as general manager of the manufacturing division of a company which also has factories in Essex and south Yorkshire. Diplomatic skills backed by toughness are of the essence, Mr Mitchell says.

"The salary is around £17,500. It is low for the importance of the work, but the sad fact is that engineers are priced in that bracket by the market," he adds.

Unmoved

THE SAME no doubt helps to explain the difficulty of Bill Moss of Einstein Associates in attracting technically and managerially capable engineers from far north of Watford—where he suspects they exist in plenty—to the London area.

For instance, he seeks a production director for the engineering subsidiary of a £30m-turnover group at a salary of £20,000-£25,000. But persuading people to move to the South-east now seems "a far more serious stumbling block" than it used to be.

Inquiries to him at Samuel House, St Albans Street, London SW1Y 4SQ; tel. 01-930 4545; telex 8950174 Cnsltg G.

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Please write in confidence (quoting reference 527 end stating if either position has preference), with details and background to the Company's adviser, Digby M. Dodd, Overton Shirley and Barry (Management Consultants), Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel: 01-248 0355.

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Our client, a London office of a major Swiss bank is seeking an ambitious, dynamic graduate, aged around 28 with credit management and marketing experience preferably in trade and project financing. Middle or near East languages a distinct advantage. The successful applicant will initially be based in London, but should be prepared to move to Switzerland in due course.

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Data Logic, an autonomous subsidiary of Raytheon, the U.S. electronics corporation, has built an enviable reputation within the banking and finance world for the design, development and implementation of some of the most complex and sophisticated information systems.

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* International Banking Systems
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Together with the above, you will have highly developed business and personal attributes to enable you to deal effectively at all management levels, take an active part in the creation of marketing strategies, identify new market areas and contribute to Data Logic's constant development of software for mini computers and intelligent work stations.

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Data Logic career opportunities

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Utilise your experience and develop your potential...

Corporate Finance

Major Accepting House **c£20,000 + Extensive Benefits**

Applications are invited from corporate finance executives with 2-4 years' experience gained within a UK merchant bank.

Our client is one of the leading Accepting Houses, dominant in the UK market and internationally noted for its range of activities and expertise in the field of corporate finance.

They seek professionally qualified and experienced applicants who wish to diversify and extend their experience in this important and prestigious field of merchant banking activity.

Applicants are likely to be in their mid to late 20's and possess excellent academic qualifications, imagination and the enthusiasm to succeed at the most senior levels.

Career prospects are exceptional with this famous bank and are reflected in the remuneration package offered.

Details should be addressed, in the strictest confidence, to **Roger Tipple, MA, Banking and Finance Division,** Michael Page Partnership, Sicilian House, Sicilian Avenue, London WC1A 2QH quoting reference 3359.

Discussion of the client's requirements will be given by him prior to any formal submission.

Michael Page Partnership

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LEGAL ADVISER

for a wide ranging role with international dimensions

Based STEVENAGE, HERTS

Du Pont is a unique, high technology enterprise ranking amongst the 20 largest companies in the world. Well known for achievements in synthetic fibres and plastics, we also have extensive interests in electronics, life sciences and natural resources.

This new appointment will ideally suit a barrister or solicitor who wishes to move into a stimulating and rapidly developing international business environment and who has the potential for promotion, either in the UK or abroad.

Working with the present legal adviser, the successful applicant will handle a wide range of legal matters including competition, EEC, corporate and commercial law; environmental law; tort; taxation, patent and employment law. He or she will also work closely with other members of Du Pont's legal team throughout Europe.

Essential qualifications are: a good law degree; five to ten years' post-qualification experience in English company commercial law; and a willingness to travel a reasonable amount in the UK and abroad.

Applicants, probably aged late 20's – mid 30's, must be accustomed to dealing with people at a senior level, possess an outgoing personality and good communication skills. Knowledge of other legal systems together with a command of French and/or German would be added advantages.

Salary and benefits package is typical of large companies and comprehensive relocation assistance to the Stevenage area is available.

If you feel you have the capacity to meet the challenge of this exceptional opportunity, please write to, or telephone: Trevor Coulson, Personnel Adviser, Du Pont (U.K.) Ltd., Wedgwood Way, Stevenage, Herts SG1 4QN. Tel: Stevenage (0438) 734786.

DU PONT

Director of Administration

The Guide Dogs for the Blind Association

Windsor **c. £18,000 pa+car**

Reporting to the Director General, the Director of Administration is a new appointment concerning the provision of first class administrative support for all Association activities in the Regions and Head Office. Turnover is over £6m with Assets of £40m.

Responsibilities concern all aspects of the financial and administrative well being of the Association. This includes preparing and maintaining budgets as well as personnel and estate management. He or she will be supported by the Association Secretary, Personnel Manager, Accounts Manager, Estates Manager and Head Office Administration Manager.

Applicants must have had a good financial and administrative experience at Director or Senior Manager level in the private or public sectors. A qualified accountant aged around 35 to 45, who is used to tight reporting deadlines and working under pressure will have an advantage. A degree would be helpful. Pension is non-contributory. Salary is negotiable.

The position is open to external and internal candidates who should apply with full career details to R. N. Orr, quoting M1351 by 19th March 1984 clearly stating if the application is in confidence. Referees will not be required until the final shortlist stage.

Any queries will be answered on 01-439 6033.

Roland Orr

Management Consultants

35 Piccadilly, London W1V 9PB. Telephone 01-734 7282.

Senior Banker Asia-Pacific

Nordic Bank, a member of the **Den norske Creditbank** *Group, is active in the* Asia-Pacific region with offices in Hong Kong, Singapore, Sydney and Tokyo.

The Company now needs an innovative banker for its London based Asia-Pacific Department, reporting to a Director. The prime areas of responsibility will include the structuring and negotiating of international credits, initiating note placements and swaps, marketing the Bank's services to the European and other offices of Japanese multinationals, and arranging Nordic and UK export finance packages and buyer credits for customers in the Asia-Pacific region. Regular travel to Asia will be required.

Ideal candidates, probably university graduates in their thirties, will have at least five years banking experience. Technical know-how in credit analysis and pricing should support a successful track record in the marketing of corporate banking services. First hand experience with Japanese companies is desirable, as is familiarity with loan syndication, interest swaps or floating rate note issues.

This is a responsible position and is an ideal opportunity for a self-starter to make a significant profit contribution at a senior level. The successful candidate is at present likely to be at a senior level in a merchant or international bank or in the finance department of an international company and will be rewarded with a competitive salary as well as the full range of normal banking benefits, including a car.

Interested applicants should submit full written details of their career, in confidence, to T. O. Kollinsky at Nordic Bank PLC, 20 St. Dunstan's Hill, London, EC3R 8HY.

Nordic Bank

Commercial Director/ Managing Director Designate

Due to the continued expansion of Bailey's of Westbury, a Commercial Director/Managing Director Designate is now required. A Heron Corporation Company, Bailey's offer a nationwide haulage and specialist delivery service with an annual turnover in excess of £12m.

The position offered demands a professional with experience in this specialist area and the salary and benefits will reflect the importance of this position.

The Head Office for Bailey's is at Westbury, so the successful applicant will have to be prepared to work in the Wiltshire area.

Please apply in writing, in the first instance, to:–

Mr P. J. Agg,
Chairman & Managing Director,
Heron Suzuki Holdings, 46/62 Gatwick Road,
Crawley, West Sussex RH10 2XE

BAILEYS OF WESTBURY LIMITED

A Heron Corporation Company

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HERON

LEASING MANAGER

City – up to £19,500

National Girobank is a rapidly growing U.K. clearing bank employing over 5,000 staff and has established a significant presence in both the personal and corporate banking markets.

The bank is actively developing its range of services to both personal and corporate customers and has recently entered the equipment leasing market by providing lease finance for a number of corporate clients. It is now intended to extend the bank's presence in this market by the appointment of a Leasing Manager at our City Office at Milk Street, EC2.

The Leasing Manager will be responsible to the Head of Investment and will have responsibility for managing the existing leasing portfolio and for developing the range of the bank's activities in the leasing market.

The ideal candidate (male or female) will have an extensive knowledge of the leasing market and be well acquainted with forms of lease finance in the medium/big ticket market. A self-starter who is able to represent the bank at a senior level with other organisations is necessary. Preference will be given to candidates in their 30's and AIB qualified.

Initial salary (including London allowance) will be in the range £16,000–£19,500 with the possibility of further progression to £21,000 (on the basis of performance). Conditions include five and a half weeks annual leave and a contributory index-linked pension scheme. Assistance with moving to within reasonable commuting distance of the City can be provided if necessary.

Please reply in writing outlining career and salary progression and how your skills and experience match the requirements of this post to:– Peter Farrar, Head of Management Development, National Girobank, 10 Milk Street, London EC2V 8JH.

Should you wish to discuss the position in more detail prior to application please call Mr. G. S. Gray, Head of Investment on 01-600 6020.

NATIONAL Girobank

International Banking Consultants

Jonathan Wren International Ltd 01-623 1266

170 Bishopsgate, London, EC2M 4LX

BANKING RECRUITMENT CONSULTANT

Jonathan Wren International, the international company of the Jonathan Wren organisation, specialises in non-UK based banking appointments. Our clients are among the top U.S., European and Arab banking institutions for whom we recruit middle and senior executives.

As a result of continued growth, an additional consultant is now sought to develop new and maintain existing relationships with banks in Europe.

Applications are invited from bankers who are totally fluent in French and/or German and ideally aged 25–35. Experience in the personnel or consultancy fields would be an added advantage. Prime qualities needed are self-motivation, marketing abilities and good communicative skills.

This position represents a challenging opportunity to join London's leading international banking recruitment consultancy and offers a high level of job satisfaction, excellent prospects and overseas travel.

Remuneration is a combination of base salary and an excellent performance related bonus.

Please telephone or send a Curriculum Vitae to **ROY WEBB,** Managing Director, JONATHAN WREN INTERNATIONAL LTD., at 170 Bishopsgate, London EC2M 4LX, Tel: 623 1266.

UNIQUE CAREER OPPORTUNITIES

FINANCIAL SERVICES

Kent, Sussex, Surrey and Essex

Highly reputable and well established financial group have career opportunities within its successful sales team. Successful candidates will undergo full and thorough training in order to successfully advise private and corporate clients.

Applications are invited in strictest confidence from candidates aged 24-45, resident in the above locations, who are able to demonstrate previous success in any field.

To apply for an initial exploratory interview, write in strictest confidence to:

Box A8424, Financial Times
10 Cannon Street, London EC4P 4BY

Commercial Manager

(Director Desig.) Defence Systems

Surrey c £17,000 + car plus bonus & attractive benefits

Our clients, leaders in their field, design, manufacture and market a unique range of training systems and simulators.

Their recent growth has been dramatic and they now need a commercial division to negotiate and monitor contracts.

They seek someone to start this by liaising with Marketing, Finance and their customers to achieve smooth sales of high cost, long lead time capital equipment.

He/She will be aged 30-40, of degree standard (MBA ideally) with experience as a contracts/commercial manager and an aptitude for negotiations. Knowledge of the MOD and languages would be added advantages.

Please write in complete confidence to A. Higson enclosing detailed CV and quoting H.1800.

HIGSON PING

Higson Ping Ltd./Executive Recruitment Consultants.
110 Jermyn Street, London SW1Y 6HB.
Telephone: 01-930 4196 (24 hour answering service).

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A national charitable organisation helping young people is outgrowing its strength.
We can operate but cannot cope with the R & D.
The Research Officer will be a clear thinking, capable writer with a knowledge of education and/or industry and an awareness of young people's needs.

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INTERNATIONAL BANKING

CHIEF EDITOR FOR PUBLICATIONS

A major UK clearing bank requires a Chief Editor to lead an editorial team producing a high quality range of publications aimed at the bank's corporate customers in the UK and overseas. He or she must be a versatile and talented writer, able to contribute to the bank's economic and trade periodicals; booklets on various aspects of international banking services; and brochures promoting its numerous branches and subsidiaries.

The ideal candidate will probably have a sound economic and/or financial background, preferably with several years experience of writing and editing in this specialist area. The ability to initiate new publications and to make a creative contribution to design and style is most important.

The job holder will be responsible to the Manager, Publications for the output of the editorial team and will act as his deputy.

The salary starts from c £13,822 including London allowance, plus all the normal benefits associated with a major UK clearing bank. Salary under review from April 1984.

Please apply in writing with career details and specifying why you feel you should be considered, to the following box number:

Box A.8499, Financial Times, 10, Cannon Street, London EC4P 4BY.

FINANCIAL CONSULTANTS

We currently offer the most comprehensive range of financial and "management package" services (but not insurance) are about to hit the financial and fiscal consultancy market with three new sophisticated and self-selling products in the next 3 months. Our expertise links with FCA's, AIB's, Solicitors, Tax Consultants, Corporate Managers and Senior Marketing Consultants.

We require senior executive consultants to run teams of marketeers throughout the U.K. and Europe. The successful applicants should expect minimum earnings of £40,000 p.a.

Contact:
Jim Farrow, Ballabrooie House
Peel Road, Douglas, Isle of Man.
Tel: (0624) 23466 – Telex: 627562

TECHNOLOGY

EDITED BY ALAN CANE

HOW BL DEVELOPS ENGINE PARTS

Manifold uses of computer design

BY PETER MARSH

OWNERS OF certain models of BL's Maestro cars can find a little bit of history under their vehicles' bonnets.

Maestros fitted with 1,600 cc engines all contain inlet manifolds that are the first fruits of a programme at the car company in computer-aided design and manufacture for engine parts.

Engineers at BL Technology, a subsidiary of the car company, have done the work. BL Technology, which employs 700 people, has spent £30m an R & D and new equipment since it was created five years ago.

Engineers designed the manifold—a piece of aluminium about 15 cm square—by drawing elements in three dimensions on the screen of a computer. According to Mr Tony Wilcock, manager of computerised manufacturing at BL Technology, this enabled them to achieve the best possible design in a short time.

In a car engine, the manifold channels a mixture of air and petrol vapour to the combustion chambers. If the design is incorrect, the flow of these gases can be impeded, leading to inefficient combustion.

Perkin Elmer which is designing the diesel engine for BL's LM10 car due for manufacture next year, also uses computer aided design systems

Development time becomes weeks rather than months

In the next stage in the manufacturing process, engineers send details of the desired shape of the manifold to a computerised machine tool. These details are encapsulated on a computer tape as a set of binary digits.

The machine then cuts out from a block of metal the shape of a die. The die can be used tima and again in a casting process, in which finished manifolds are turned out in production runs of thousands at a time.

Mr Wilcock says that the link between computerised draughting and manufacture ensures that dies made to the designer's specifications are exactly the shape that he intends.

In conventional techniques, a draughtsman's blueprint would be sent to a pattern maker who would interpret it to machine a die. But dies made in this fashion by different pattern makers could well end up dissimilar—leading to a lack of standardisation when the components are fitted inside cars.

Another benefit, says Mr Wilcock, is that engineers can experiment more easily by building prototype dies before they settle on tha final design. "It cuts by 50 per cent the time from the initial design stage to tha engineering of production equipment—the time becomes weeks rather than months."

In other work at BL Technology, engineers are experimenting with a £77,000 IBM assembly robot. This comprises a gripper which moves on an overhead gantry sideways as well as in a vertical plane.

Workers have programmed the machine to assemble automatically small switches for dashboard controls. The hardware can also slide together the parts for gear shafts.

Ultimately, says Mr Frank Piper, the engineer at BL Technology in charge of assembly automation, the robot may form part of a complete production system that puts together car components with the minimum of human intervention.

Engineers have also developed a programmable glue spreader that is fitted to the end of a robot. For example, tha glue could be coated onto the side of a panel of metal that has to be fixed to a car body.

The spreader ensures that the adhesive spurts out in a manner that takes into account the shape of the part and the speed of the robot arm.

Another application for the robot-cum-spreader could be in sealing with plastic material the seams in cars between pieces of metal. Seams have to be sealed in this way before the cars go out on the road—otherwise water would leak inside. With the hardware, this job—currently done manually—could be handed over to automated equipment.

BL's technologists have developed a testing rontine for all the robots that are introduced into the company—the current rate is about one a month.

Borrowing a technique with which doctors analyse the limb movements of athletes or people who are physically handicapped, engineers fix to the moving parts of robots small infrared-light sources.

The robot is programmed to go through a specific set of motions. Two cameras watch out for the light sources and feed the information into a computer. This analyses the motion of the robot and spots any deficiencies in its operation.

Mr Mike Kelly, the manager at BL Technology, in overall charge of new manufacturing

Engineers are free to work on their own ideas

methods, says his job is to work on ideas that will produce new production techniques in anything between two and 10 years.

How does his company decida which projects to work on? In two ways, says Mr Kelly: tha company's engineers are free to work on their own ideas but at the same time they must listen closely to the views of the people who actually make cars — managers in BL's product divisions such as Austin-Rover or Jaguar.

SERVICE COMPANY

How Istel makes the most of Viewdata

BY ELAINE WILLIAMS

WHEN CAR dealers want to order vehicles from British Leyland's Austin Rover Group in future all they will have to do is press a few buttons on a viewdata terminal.

The system, due to be launched this year, is being developed by Istel, formerly named BL Systems, and is the computer division of BL. Istel has a turnover of about £12m with 1,100 employees.

Istel has been interested in the potential of viewdata since it was formed in 1979. About 18 months ago the company introduced the first of its viewdata bureau services for Austin Rover. This was to provide car dealers with an electronic vehicle stock locator.

BL sells some third of a million cars a year and has about 1,400 dealers in the UK. An extension of the dealer system is an electronic version of the warranty forms which dealers have to fill in when, for example, carrying out services for new cars guaranteed by BL for a period of time.

It is now under trial with about 100 dealers. Mr Colin Bates, product manager of Viewshare, said that errors in filling in forms had dropped to 2 per cent using the electronic system compared with about 15 per cent using conventional forms.

The next move is to extend the system further to provide a more sophisticated link between dealer and the BL group. By the end of the year this system will be able to provide vehicle dealers with financial commitments to BL, sales information and better stock details than are now available.

Other projects within Viewshare is details of the 30,000 pensions for the BL group stored on the system. Within the group components lists are accessible via viewdata and engineers can update their training. More than 150 terminals are located within BL mainly at Cowley and Longbridge.

Recently Istel began installing terminals to act as electronic noticeboards. Mr Bates said that jobs vacant within the group could be advertised and accessible to everyone at the same time. Using conventional noticeboards there is always some delay in spreading the information around every plant which has often caused complaint.

More than 80 per cent of Istel's business now comes from within BL but the company has a target to reduce this figure to 70 per cent by 1986.

The setting up of Failsafe, a division within Istel to provide immediate back up for failure of large IBM-based computer systems is one of the ways to achieve this. Failsafe, which runs a large IBM complex in the Preston area, already has a number of large clients many of them insurance groups including the Guardian Royal Exchange and Hambro. This represents about £500,000 worth of business.

Within Viewshare, the Press Association runs its subscriber news service called Newsfile. It began this system in January. Several travel companies and agents including Timeshare which deals with holiday homes and A. T. Mays, with 150 branches in the north east and Scotland, use Viewshare.

More than 80% of business comes from within BL

The video disc is another piece of technology which Istel believes has an application in its business. Following the lead of General Motors and Ford in the U.S. which have seen the potential of video discs in training and selling motor cars, Istel is looking at its use within the BL group.

Engineers have interfaced the video disc with different microcomputers to provide a mixture of computer flexibility to allow customers at dealers' premises to browse through the video disc's catalogue of models and fixed images. With the computer, up-to-date prices can be added to the picture on the screen, financial packages worked out. Austin Rover is interested in carrying out trials of the system, possibly this year.

Software

Linkword languages

ACORNSOFT is to launch computer-based programs for language learning. Linkword, which can be used on the the BBC micro, will be available in four languages—French, German, Italian and Spanish.

The courses use a language-teaching technique called Linkword, which can cut down the amount of time needed to learn and basic vocabulary and grammar by as much as 70 per cent. The language was developed by Michael Gruneberg, psychologist and senior lecturer at University College, Swansea.

It links foreign words with similar sounding English ones with the aid of visual mnemonics. For example, the Spanish for cat is gatto so the computer asks you to imagine a cat eating a gateau.

Unfortunately the programme does not make use of the graphics capability on the BBC computer, which is a pity as this would probably consolidate the visions you are asked to imagine.

It has already been used by Thomson Holidays in conjunction with the company's existing language course. Thomson reported that some managers trained under the Linkword system could recall as much as 98 per cent of vocabulary after a three-day course of 12 hours' teaching.

Gruneberg's system will also appear on the 48K Sinclair Spectrum following a deal with Silversoft, a home computer software company which has already produced several games for this type of computer.

Computer

Thunderbolt strikes

DARKCREST has introdued the Thunderbolt range of micro-mainframe computer systems. There ara 10 computers in the range, all Unix-based, which allows many users simultaneously. The company says that the computars can support more than 20 terminals.

The computers ara based on the Motorola 6800 microprocessor. Prices will range from £7,000 to more than £50,000. More details from Darkcrest in London on 01-403 5060.

Radio

Malaysian system

THE FIRST completely automatic car telephone system in the Far East is to be installed in Malaysia by Ericsson of Sweden. Ericsson won the contract despite of tough competition mainly from Japanese companies.

The first stage of order is to provide 86 base stations with 954 channels and the first 660 mobile telephones worth a total of £17m. Five AXE base stations act as the brains of the system keeping track of subscribers.

The Malaysians decided on radio to expand its network rather than lay cables through the jungles which would have caused many problems.

Offshore

Analysis

AN ANALYSIS service for offshore engineers is being offered by Atkins Research and Development of Epsom, Surrey. It is aimed at designers of flare stacks, turbine exhausts and ventilation intake on offshore platforms.

Atkins has three computer programs to help minimise the risk of hot or toxic gases being deflected by the wind at workers at platforms, helicopter landing area or cranes lifting supplies.

The programmes predict the gas dispersion patterns and can also be used to carry out wind tunnel predictions. More details on Epsom 26140.

Dragon data

Dragon Data of Port Talbot, South Wales, has asked us to make clear that the computer system supplied by IBM under the name "Dragon" in Far Eastern countries (see this page February 8) has no connection with its own hardware and software. Dragon Data's products are distributed in the UK by GEC and world-wide by Dragon Data under the trademark and logo "Dragon."

Copies of this Prospectus, having attached thereto the documents specified herein, have been delivered to the Registrar of Companies for registration.
Application will be made to the Council of The Stock Exchange for the Ordinary Shares of Cambium Venture Capital plc ("the Company") to be admitted to the Official List.
This Prospectus includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to the Company.
The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.

CAMBIUM VENTURE CAPITAL plc

(Incorporated in England and Wales under the Companies Acts 1948 to 1981)
(Registered No. 1731347)

Offer for Subscription
arranged and partially underwritten
STATHAM DUFF STOOP
of up to 20,000,000 Ordinary Shares of 5p each at 25p per share payable in full on application

INFORMATION CONCERNING THE COMPANY

Introduction

The Unlisted Securities Market ("USM") has now been in existence for nearly three years and has proved an invaluable source of equity finance to assist the further growth and development of smaller companies. In reviewing the companies which Statham Duff Stoop, the sponsors of this Offer, have appraised as potential USM companies, it has become apparent that there is a great need for "nursery finance" to assist young companies with good ideas to grow to a sufficiently large size and to have a long enough track record for admission to the USM.

Statham Duff Stoop have considerable experience in private placings of a venture capital nature and in sponsoring new issues. In the light of this experience, they consider that there is a need for a venture capital company associated with a stockbroking firm actively engaged in transacting business on The Stock Exchange, having good links with industry and other professional investment advisers, and with experience of bringing young companies to the USM.

The Objectives and Investment Criteria of Cambium Venture Capital plc

The object of Cambium Venture Capital plc ("the Company") is to bring together available investment sums from various investors so that a substantial aggregate amount can be invested in a spread of investments for those seeking to participate in, and support, venture capital projects.

The Company's policy (which the Directors intend to maintain for at least 3 years) will be to make investments in unquoted companies where the Directors perceive the possibility of high capital growth and which are potential candidates for admission to the USM or to the Official List. This will mainly be in start-up and young companies, with a high-technology bias, which may well be competing with established companies. Investments of this nature inevitably carry a high degree of risk. However, each investment will be limited to not more than 15 per cent. of the Company's gross investment fund at the time it is made. Accordingly, it is hoped that the risks will be minimised by the resulting wide spread of investments and that an attractive rate of capital growth will be achieved.

It should be appreciated that the investments made by the Company may take several years to mature and may not be capable of being realised until the shares of the company concerned have been admitted to the Official List or dealt in on the USM or other recognised market. The companies concerned will mostly be at a stage when they are likely to retain any profits for future growth and the Directors do not expect that the Company will receive significant dividend income from such investments. £545,000 has already been allocated towards specific investments described later in this document.

The Directors anticipate making further investments of a venture capital nature such that a substantial part of the fund will have been invested by the end of 1984. Monies awaiting investment in venture capital projects will be invested in suitable money market instruments or securities listed on The Stock Exchange.

It will be the Company's policy to conduct its business so as to qualify as an approved investment trust for taxation purposes (see Taxation and Dividends).

Although the Company may be represented on the boards of some of the companies in which it invests, it will not take controlling interests in their share capital nor be directly involved in their management.

The Directors

The Directors of the Company are as follows:—

The Rt. Hon. Edward du Cann (aged 59) is a Member of Parliament, a former Treasury Minister and a former Minister at the Board of Trade. He is currently Chairman of the Public Accounts Commission. Mr. du Cann founded the Unicorn Group of Unit Trusts. He has had wide experience in banking having been a Director of Barclays Bank (London Board), Barclays Bank Trust Company Limited and latterly Chairman of Keyser Ullmann Limited (now part of the Charterhouse J. Rothschild Group). Mr. du Cann is also a Director and Deputy Chairman of Lonrho plc.

A. M. Cardoza (aged 39) is a stockbroker and senior partner of Statham Duff Stoop. Mr. Cardoza has been actively concerned with institutional investment recommendations and in the last two years has devoted much of his time to reviewing venture capital and USM proposals and arranging finance for companies in the high-technology and leisure fields.

I. A. Arian (aged 35) is a chartered accountant having spent ten years in the London office of Arthur Andersen & Co., a well-known international firm of accountants. As well as general audit work, his responsibilities involved investigations of companies and preparation of data prior to flotation on The Stock Exchange. He is a manager in the Corporate Finance division of Statham Duff Stoop.

A. A. F. Cole (aged 35) has been an investment manager and adviser, initially with a firm of stockbrokers and subsequently as Managing Director of Morison Stoneham Investment Management Limited. In this capacity he managed funds for and advised clients including charities, pension funds and private individuals. He also spent 3 years in industry as a financial controller and Finance Director. In May 1983 he became Managing Director of The Atlanta Investment Trust plc.

M. Heinimann (aged 42) is the Chairman and Chief Executive of Union Transport (London) Limited whose main activities are ship-owning, ship-broking and ship management. He is also a Director of Acorn Shipyard Limited, a company involved in ship repairing and marine and non-marine engineering.

W. H. Hilling (aged 57) retired in 1983 after a career of some 28 years in investment management, latterly as Managing Director of Barclays Investment Management Limited. In that capacity he was responsible, *inter alia*, for the day-to-day management of pension funds and unit trusts. One aspect of his work was the review and evaluation of proposals in unquoted companies where capital injection was required as a prelude to admission to the Official List or dealing on the USM.

G. W. Robertson (aged 36) is an Associate Director of Britannia Asset Management Limited. He was an Investment Manager with Barclays Bank Trust Company Limited for seven years and a Senior Investment Manager with the M & G Group for over four years.

C. E. Wilkinson (aged 40) is a practising solicitor. He was a Director of Shires Investment plc, an approved investment trust, and he is a Director of The Atlanta Investment Trust plc, an approved investment trust, and Chairman of Stalwart Assurance Company Limited, an authorised insurance company.

Management and Administration

The management and administration of the Company will be conducted by SDS Investment Management Limited ("the Managers"), a company which is beneficially owned by certain partners and employees of Statham Duff Stoop. In addition to carrying out day-to-day administration, the Managers will research and recommend investments in companies that meet the objectives and investment criteria of the Company.

The Directors will consider the recommendations of the Managers and will review their proposals at regular Board Meetings. The Managers will also monitor and report regularly to the Directors on the performance of investments already made. It is envisaged that I. A. Arian, A. M. Cardoza and W. H. Hilling will devote a substantial amount of their time to the affairs of the Company.

The Managers will be remunerated in accordance with the provisions of the management agreement referred to in paragraph 5(i) of Statutory and General Information set out below. In summary, this remuneration will be provided in the following ways:—

1. The Managers will be entitled to receive out of the sums invested in the Company by subscribers an amount by way of initial management charge equivalent to 2½ per cent. plus VAT of the new monies raised. Out of this management charge, the Managers will pay commissions at the rate of 2 per cent. plus VAT to professional advisers through whom applications are made.
2. The Managers will be paid a fixed fee of £25,000 per annum plus VAT.
3. The Managers will, in addition, receive an incentive fee equivalent to 3½ per cent. plus VAT of the amount by which the net tangible assets of the Company at each accounting reference date exceed the net tangible assets at the preceding accounting reference date. If the net tangible assets have decreased during such period, no incentive fee shall be payable and an amount equivalent to 3½ per cent. plus VAT of the decrease in the net tangible assets during the relevant period shall be carried forward and taken into account by way of deduction in future calculations of the incentive fee.

In appropriate cases the Managers will receive, subject to the approval of the Company, a contribution towards their expenses and administrative costs from companies in which investments are made.

Proceeds of the Issue

The Managers have already identified a number of suitable venture capital projects requiring capital investment and the Company has conditionally agreed to acquire equity interests in the following companies:—

1. **Open Computer Security Limited** ("OCSL")—OCSL was formed in 1981 and has been developing a wide range of devices:
—to protect the electronic transfer of funds from fraud;
—to create digital signatures to accompany documents; and
—to prevent computer software piracy.
The Company will invest £95,000 for a 7·6 per cent. equity interest in OCSL. This will represent 4·75 per cent. of the minimum net amount to be raised pursuant to this Offer.
2. **Kensington Datacom Limited** ("KDL")—KDL was formed in 1981 and has developed a computerised message switching service for businesses. The service will be wide ranging and:
—offer a cheaper alternative for existing small users of telex;
—allow microcomputer owners access to its communication facilities; and
—provide access to a range of other communication services not generally available to the small user at an economic rate.
The Company will invest £150,000 for a 7·2 per cent. equity interest in KDL. This will represent 7·5 per cent. of the minimum net amount to be raised pursuant to this Offer.
3. **Optronics Limited** ("Optronics")—Optronics was formed in 1978 to take advantage of the developing market in fibre optics technology. It was established as an importation, sales and distribution company. However, Optronics recognised the need to satisfy market demand for systems and this led to manufacturing, assembling, and undertaking consultancy work to develop, systems based on fibre optics. The present activities are:
—buying and selling fibre optics components;
—technical consultancy in fibre optics; and
—production of specialised systems involving fibre optics.

The Ordinary Shares now offered will rank *pari passu* in all respects with the existing issued Ordinary Shares of the Company.

The Subscription Lists for the Ordinary Shares now being offered will open at 10.00 a.m. on 2 March 1984 and may be closed at any time thereafter.

The procedure for application and an application form are to be found at the end of this Prospectus.

SHARE CAPITAL

Authorised		*Issued and now being offered, fully paid*
£1,250,000	Ordinary Shares of 5p each	£1,000,002

MINIMUM APPLICATION

The minimum amount to be raised is £2,250,000 which has been underwritten by Statham Duff Stoop and 9,000,000 Ordinary Shares in respect of this amount will be allotted in any event. The Directors may allot a further 11,000,000 Ordinary Shares (£2,750,000) subject to applications being received.

The Directors intend to apply for a total of 108,000 of the Ordinary Shares now being offered. These applications will be accepted in full.

INDEBTEDNESS

At the date hereof the Company does not have outstanding any mortgages or charges, nor any loan capital (including term loans) issued or created but unissued, nor any other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or guarantees, or other material contingent liabilities.

DIRECTORS, SECRETARY AND REGISTERED OFFICE

Directors:
The Rt. Hon. Edward Dillon Lott du Cann, *Chairman*, 9 Tufton Court, Tufton Street, London SW1P 3QH.
Anthony Michael Cardoza, 22 City Road, London EC1Y 2AJ.
Imtiaz Ali Arian, F.C.A., 22 City Road, London EC1Y 2AJ.
Alexander Anthony Ferro Cole, 1 Founders Court, Lothbury, London EC2R 7BD.
Maximilian Heinimann (Swiss), "Muralto", Pine Glade, Keston Park, Orpington, Kent BR6 8NT.
William Harry Hilling, 24 Deepdene Avenue, Dorking, Surrey RH4 1SR.
Gareth Wyn Robertson, M.A., 15 Randolph Crescent, London W9 1DP.
Charles Edmund Wilkinson, M.A., 8 Lincoln's Inn Fields, London WC2A 3DW.

Secretary and Registered Office:
Roger Anthony Jeffries, B.Sc., MIMC., MBIM.
Capital House, 22 City Road, London EC1Y 2AJ.

MANAGERS AND PROFESSIONAL ADVISERS

The Managers:
SDS Investment Management Limited, Capital House, 22 City Road, London EC1Y 2AJ.
Sponsoring Brokers:
Statham Duff Stoop, Capital House, 22 City Road, London EC1Y 2AJ.
Solicitors to the Offer:
Allen & Overy, 9 Cheapside, London EC2V 6AD.
Solicitors to the Company:
Blyth Dutton, 9 Lincoln's Inn Fields, London WC2A 3DW.
Auditors:
Thomson McLintock & Co., Chartered Accountants, 70 Finsbury Pavement, London EC2A 1SX.
Bankers:
Barclays Bank plc, Stock Exchange Branch, 8 Angel Court, Throgmorton Street, London EC2R 7HT.
Registrars and Transfer Agents:
W. H. Stentiford & Co., Woodland House, Collingwood Road, Witham, Essex CM8 2TS.

The Company will invest £300,000 for a 27·5 per cent. equity interest in Optronics. This will represent 15 per cent. of the minimum net amount to be raised pursuant to this Offer.

The investments in OCSL and KDL will be entered into in conjunction with other institutional investors.

The contracts for the aforementioned investments are conditional upon the issue of a certificate entitling the Company to do business pursuant to Section 4 of the Companies Act 1980. In addition, the contract for the investment in KDL is conditional upon the approval of all the shareholders in KDL. The shares in OCSL, KDL and Optronics to be acquired by the Company have recently been subscribed for by the partners of Statham Duff Stoop referred to in paragraph 6(x) of Statutory and General Information. These equity interests will be acquired by the Company at the original cost to such partners.

The Managers are also currently investigating a number of other projects to assess the suitability and prudence of making investments.

Taxation and Dividends

The Directors intend to conduct the affairs of the Company so that it will qualify as an investment trust within the meaning of *section 359 of the Income and Corporation Taxes Act 1970. The Company will apply to the* Inland Revenue for such approval and, if such approval is granted, the Company will be exempt from Corporation Tax on its capital gains. A company which is a qualifying investment trust may not retain in respect of any accounting period more than 15 per cent. of its income from shares and securities and must not distribute capital surpluses.

No indication can be given as to when the Company will be in a position to pay dividends as it will only be able to do so when income is derived by way of dividends and/or interest from underlying investments.

AUDITORS' REPORT

The following is the text of a report received by the Directors from Thomson McLintock & Co., Chartered Accountants, the Auditors of the Company:

"The Directors,
Cambium Venture Capital plc,
22 City Road,
London EC1Y 2AJ.
21 February 1984

Gentlemen,

We have audited, in accordance with approved auditing standards, the balance sheet of Cambium Venture Capital plc ("the Company") as at 31 December 1983. The Company was incorporated on 13 June 1983 and has not traded nor declared or paid any dividends since that date.

In our opinion, the financial information shown below gives a true and fair view, under the historical cost convention, of the state of affairs of the Company as at 31 December 1983.

(a) Accounting policies

The principal accounting policies adopted by the Company are as follows:

(i) Listed investments are shown at middle market value and unlisted investments at directors' valuation. Any surplus or deficit of value over cost is credited or charged to capital reserves.
(ii) Profits and losses on the realisation of investments held as fixed assets are not reflected in the revenue account for the year but are credited or charged to capital reserves.
(iii) Dividends and interest received from investments are credited to revenue without making any adjustment for amounts accrued as at the dates of purchase and sale of the investments.

(b) Balance Sheet at 31 December 1983

Current Assets	
Cash	£2
Capital and Reserves	
100,000 authorised and 2 allotted, called up and fully paid Ordinary Shares of £1 each	£2

(c) Subsequent event note

An ordinary resolution of the Company was passed on 17 February 1984 increasing the Authorised Share Capital to £1,250,000 divided into 25,000,000 Ordinary Shares of 5p each.

Yours faithfully,
Thomson McLintock & Co.,
Chartered Accountants,
70 Finsbury Pavement,
London EC2A 1SX."

STATUTORY AND GENERAL INFORMATION

1. History and Capital of the Company

(a) The Company was incorporated in England and Wales (Registered No. 1731347) as Jordans 126 plc under the Companies Acts 1948 to 1981 on 13 June 1983 as a public limited company with an authorised share capital of £100,000 divided into 100,000 Ordinary Shares of £1 each.

(b) The name of the Company was changed to Cambium Venture Capital plc on 13 January 1984.

(c) On 17 February 1984, the authorised share capital of the Company was sub-divided into 2,000,000 Ordinary Shares of 5p each and increased to £1,250,000 by the creation of 23,000,000 new Ordinary Shares of 5p each.

(d) A. M. Cardoza and R. A. Jeffries, a Director and the Secretary respectively of the Company, each beneficially own 20 Ordinary Shares of 5p each.

2. Agreement with Statham Duff Stoop

Under the terms of an Agreement dated 21 February 1984 between the Company (1) the Directors of the Company (2) and Statham Duff Stoop (3), Statham Duff Stoop agreed to underwrite 9,000,000 of the Ordinary Shares now offered for subscription for a commission of 1½ per cent. (exclusive of VAT) of the subscription price for such underwritten shares, out of which they will pay sub-underwriting commission of 1¼ per cent. (exclusive of VAT).

3. Articles of Association

The Articles of Association of the Company contain, *inter alia*, provisions to the following effect:—

(i) *Voting rights of members*

Subject to any special terms as to voting upon which any shares may for the time being be held, on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by its duly authorised representative shall have one vote and on a poll every member present in person or by representative or proxy shall have one vote for every share in the capital of the Company held by him. A proxy need not be a member of the Company.

(ii) *Variation of rights*

If at any time the capital of the Company is divided into different classes of shares, all or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a separate general meeting of the holders of the shares of that class.

(iii) *Directors—Restriction on voting*

A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest (otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company) and if he shall do so, his vote shall not be counted, save in the following particular circumstances, namely:—

(a) The giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries.

(b) The giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself assumed responsibility in whole or in part under a guarantee or indemnity or by giving of a security.

(c) Any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof.

(d) Any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with any person connected with him within the meaning of Section 64 of the Companies Act 1980) is not the holder of or beneficially interested in one per cent. or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed to be a material interest in all circumstances).

(e) Any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme or of any employees' share option scheme under which he may benefit and which has been approved by the Board of Inland Revenue for taxation purposes and which in relation to an employees' share scheme does not accord to any Director as such any privilege or advantage not generally accorded to the employees to whom such scheme relates.

A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting. The Company may by Ordinary Resolution suspend or relax such provisions to any extent or ratify any transaction not duly authorised by reason of a contravention thereof.

(iv) *Directors—Remuneration*

The remuneration and other terms and conditions of appointment of any Director appointed to any office or employment under the Company shall be fixed by the Directors. In addition, the Directors (other than any Director who shall for the time being hold any executive office or employment under the Company or any subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as Directors such sum not exceeding £2,000 per annum as the Directors may from time to time determine or such larger sum as the Company in general meeting may from time to time determine with an additional sum up to a maximum amount of £5,000 per annum for the Chairman. The foregoing remuneration may be increased separately by the Directors if such increase is solely to meet the cost of any value added tax properly payable on such remuneration. The Directors may also grant extra remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company. The Directors shall be paid out of the funds of the Company all their travelling, hotel and other expenses properly incurred by them in and about the discharge of their duties.

(v) *Directors—Pensions*

The Directors may give or award pensions, annuities, gratuities and superannuation or other allowances or benefits to any persons who are or have at any time been Directors or employed by or in the service of the Company or of any company which is a subsidiary company of or allied to or associated with the Company or any such subsidiary and to the wives, widows, children and other relations and dependants of any such persons and may establish, maintain, support, subscribe to and contribute to all kinds of schemes, trusts and funds for the benefit of such persons as are hereinbefore *referred to or any of them or any class of them, and so that any Director shall be entitled to receive and retain for his own* benefit any such pension, annuity, gratuity, allowance or other benefit (whether under any such fund or scheme or otherwise).

(vi) *Directors—Other offices*

A Director may hold any other office or place of profit under the Company except that of Auditor in conjunction with the office of Director and may act in a professional capacity to the Company and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. No Director shall be disqualified by this office from contracting with the Company either in regard to such office or place of profit or as vendor, purchaser or otherwise, nor subject to Section 48 of the Companies Act 1980 shall any such contract nor any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor subject also to Section 48 of the Companies Act 1980 shall any Director so contracting or being interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established but the nature of his interest shall be disclosed by him in accordance with the provisions of the Companies Acts 1948-1983.

(vii) *Borrowing powers*

The Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge the whole or any part of its undertaking, property and assets, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company and its subsidiaries so as to secure that the aggregate amount for the time being owing by the Company and its subsidiaries in respect of moneys borrowed (exclusive of moneys borrowed by the Company or any of its subsidiaries from any other such companies) shall not without the previous sanction of an Ordinary Resolution of the Company exceed an amount equal to twice the *aggregate of the amount paid up on the nominal capital of the Company and the amounts standing to the credit of the* capital and revenue reserves of the Company and its subsidiaries including share premium account, capital redemption reserve fund and profit and loss account as shown by the last audited Balance Sheet but after making the appropriate adjustment in respect of any variation in the issued and paid up share capital, share premium account and capital redemption reserve since the latest audited Balance Sheet, future and deferred taxation, amounts attributable to outside shareholders in subsidiaries, any distribution by the Company out of profits earned prior to the date of its latest audited Balance Sheet and declared, recommended or made since that date except so far as provided for in such Balance Sheet, any debit balances on profit and loss account, any variation in the amount of share capital and reserves resulting from any transaction for the purpose of which the adjustment is being made or contemporaneous therewith and any variation in the amounts attributable to the interest of the Company in the share capital in any subsidiary.

(viii) *Retirement of Directors Under Age Limit*

No Director shall vacate his office or be ineligible for re-appointment as a Director, nor shall any person be ineligible for appointment as a Director, by reason only of his having attained any particular age.

(ix) *Directors' Qualification Shares*

There is no requirement for Directors to hold qualification shares in the Company.

(x) *Dividends*

Any surplus over book value derived from a sale or realisation of any capital asset or any amount representing accretions to capital assets, including in particular the writing up of the book values of any capital asset, shall be credited to a capital reserve which shall not be available for dividend but may be used to meet depreciation of capital assets or for the improvement of capital assets or for such other capital purposes as the Directors may think fit. Any taxation arising in consequence of, and any deficit below book value resulting on, the disposal of any capital asset may be debited in whole or part against such reserve. That part of such reserve as is derived from the sale or realisation of any capital asset may also be used to meet such part of any incentive fees of the managers of the Company payable as provided for in any management agreement between the Company and its managers for the time being as cannot otherwise be paid out of income.

4. Directors' Shareholdings and Interests

(i) As at the date hereof, no Director of the Company, other than A. M. Cardoza who holds 20 Ordinary Shares of 5p each, has any interest (as defined by the Companies Act 1967 as amended) in the share capital of the Company. The Directors intend to apply for the number of shares set out opposite their names in the table below and these applications will be accepted in full:—

	No. of Ordinary Shares of 5p each
The Rt. Hon. E. du Cann	20,000
A. M. Cardoza	20,000
I. A. Arian	4,000
A. A. F. Cole	10,000
M. Heinimann	20,000
W. H. Hilling	10,000
G. W. Robertson	20,000
C. E. Wilkinson	4,000

CAMBIUM VENTURE CAPITAL plc
Continued

(ii) Save as referred to in paragraph 5 below and for the interests to be acquired in OCSL, KOL and Optronics referred to under Proceeds of the Issue above, there is no contract or arrangement subsisting at the date of this Prospectus in which a Director of the Company is materially interested and which is significant in relation to the business of the Company.

(iii) Save for the interests referred to in sub-paragraph (ii) above, since incorporation no Director of the Company has had any interest, direct or indirect, in any assets which have been or are now proposed to be acquired or disposed of by or leased to the Company.

(iv) No Director has, nor is it currently proposed that any Director will have, a service agreement with the Company.

(v) The aggregate emoluments of the Directors in respect of the year ending 31 December 1984 are estimated to amount to £19,000.

(vi) A. M. Cardoza is a partner of Statham Duff Stoop which firm has entered into the underwriting agreement referred to in paragraph 2 above whereby it will be entitled to a commission based on the subscription price of the Ordinary Shares underwritten pursuant to that agreement.

(vii) Both A. M. Cardoza and I. A. Arian hold shares in the Managers which company will be remunerated pursuant to the agreement referred to in paragraph 5(i) below.

(viii) C. E. Wilkinson is a partner of Blyth Dutton which firm will receive a fee of £8,000 for its services in connection with this Offer.

5. Material Contracts

The following contracts, not being contracts in the ordinary course of business, have been entered into by the Company since its incorporation and are, or may be, material:—

(i) An agreement dated 21 February 1984 between the Company (1) and the Managers (2) whereby the Managers agree to manage the Company upon the terms set out therein.

(ii) The underwriting agreement referred to in paragraph 2 above.

6. General Information

(i) Save as disclosed in paragraphs 1, 2 and 4(i) hereof, and under Proceeds of the Issue above, since incorporation no share or loan capital of the Company has been issued or is proposed to be issued for cash or other consideration and no commissions, discounts, brokerages, or other special terms have been granted by the Company in connection with the issue or sale of any such capital and no share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.

(ii) The Directors are not aware of any claims pending or threatened against the Company and the Company is not involved in any litigation or arbitration.

(iii) The minimum amount which, in the opinion of the Directors, must be raised by this Offer in order to provide for the matters referred to in paragraph 4(a) of Part I of the Fourth Schedule to the Companies Act 1948 is £2,250,000 made up as follows:—

(a) purchase price of any property—£545,000;

(b) to meet the preliminary expenses of the Company and the expenses and commissions in respect of this Offer estimated (on the basis of the minimum subscription) to amount to £250,000 (exclusive of VAT);

(c) repayment of monies borrowed for the purposes of any of the above items—NIL; and

(d) working capital—£1,455,000.

(iv) The Company will pay the preliminary expenses estimated to be £500 (excluding VAT) and the expenses of the Offer and the application to the Council of The Stock Exchange for listing of the Company's ordinary share capital, including capital duty, advertising costs, printing costs, underwriting commission, accountancy and legal charges, fees payable to sponsoring brokers and VAT where applicable.

(v) Apart from the Ordinary Shares proposed to be issued pursuant to this Offer:—

(a) no material issue of shares (other than to shareholders *pro rata* to existing holdings) will be made within one year from the date of this Prospectus without the prior approval of the Company in general meeting; and

(b) no issue of shares will be made which would effectively alter the control of the Company or the nature of its business without the prior approval of the Company in general meeting.

(vi) The consents mentioned below, a copy of each of the material contracts listed in paragraph 5 above, and the application form were attached to the copies of this Prospectus which have been delivered to the Registrar of Companies for registration.

(vii) The Company has not yet commenced business but will apply for the issue to it of a Certificate entitling it to do business immediately following the allotment of shares pursuant to this Offer.

(viii) The Company does not currently have any subsidiaries.

(ix) The Directors are satisfied that, taking into account the minimum net proceeds of the Offer amounting to £2,000,000, the Company will have sufficient working capital for its present requirements.

(x) Each of the partners of Statham Duff Stoop listed below is or may be a promoter of the Company. Save for the commission of £33,750 and the fee of £15,000 payable pursuant to the underwriting agreement referred to in paragraph 2 above, the payments to be made pursuant to the management agreement referred to in paragraph 5(i) above and the sum of £545,000 to be paid in respect of the interests to be acquired in OCSL, KOL and Optronics referred to under Proceeds of the Issue above, no amounts have been paid or given by the Company to any such promoter since its incorporation. The partners referred to above are A. M. Cardoza, H. E. Duff, O. H. Miller, R. G. C. Bedwell, C. M. Bolling, A. M. de Margary, T. D. Fitzgerald, M. F. Hicks, O. C. Linton and O. C. Wilkinson all of Capital House, 22 City Road, London EC1Y 2AJ.

(xi) The Directors are not aware of any person who will have an interest of 5 per cent. or more in the issued share capital of the Company following this Offer.

(xii) The financial information concerning the Company contained in this document does not amount to full individual accounts within the meaning of Section 11 of the Companies Act 1981. Full individual accounts relating to the financial year to which the financial information relates have been or will be delivered to the Registrar of Companies. The auditors have made a report under Section 14 of the Companies Act 1967 in respect of such set of accounts and such report was an unqualified report within the meaning of Section 43 of the Companies Act 1980.

(xiii) The Directors of the Company propose to give notice to the Registrar of Companies of their intention that the Company should carry on business as an investment company pursuant to Section 41 of the Companies Act 1980.

7. Consents

(i) Thomson McLintock & Co., Chartered Accountants, have given and have not withdrawn their written consent to the issue of this Prospectus containing their report and the references to them in the form and context in which they appear.

(ii) Statham Duff Stoop have given and have not withdrawn their written consent to the issue of this Prospectus containing the references to them in the form and context in which they appear.

8. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of Allen & Overy at 9 Cheapside, London EC2V 6AD during normal business hours on any weekday (Saturdays, Bank and Public Holidays excepted) for a period of 14 days following the date of this Prospectus:—

(i) The Memorandum and Articles of Association of the Company;

(ii) The report by Thomson McLintock & Co.;

(iii) The contracts referred to in paragraph 5 above; and

(iv) The consents referred to in paragraph 7 above.

Dated: 23 February 1984.

PROCEDURE FOR APPLICATION

All applications must be made on the Application Form attached to this Prospectus and be posted to or lodged with Statham Duff Stoop, Capital House, 22 City Road, London EC1Y 2AJ so as to arrive not later than 10.00 a.m. on 2 March 1984 when the Subscription Lists will open. The lists may be closed at any time thereafter. Photocopies of Application Forms will not be accepted.

The minimum application is for 2,000 shares, then for whole multiples of 2,000 shares up to 10,000 shares and thereafter for whole multiples of 10,000 shares.

Each Application Form must be accompanied by a separate cheque or bankers draft in respect of the full amount payable on application made payable to "W. H. Stentford & Co." and crossed "Cambium Venture Capital plc—Not Negotiable".

A cheque or bankers draft must be drawn in sterling on a branch in England, Scotland, Wales, Northern Ireland, the Channel Islands or the Isle of Man, of a Bank which is either a Member of the London or Scottish Clearing Houses or which has arranged for its cheques or bankers drafts to be cleared through the facilities provided for the Members of those Clearing Houses (and must bear the appropriate sorting number in the top right hand corner).

W. H. Stentford & Co., on behalf of the Company, reserve the right to present all cheques for payment as soon as cheques have been received and to retain surplus application monies pending clearance of the applicants' cheques. Due completion and delivery of the Application Form accompanied by a cheque will constitute a warranty that the cheque will be honoured on first presentation and attention is drawn to the declaration on the Application Form to that effect. The right is also reserved to reject any application or to accept any application in part only.

Acceptance of applications will be conditional on the Council of The Stock Exchange admitting the whole of the issued ordinary share capital of the Company to the Official List not later than 7 March 1984. Monies collected in respect of applications will be returned if such condition is not satisfied by that date. In the meantime, all application monies will be retained by W. H. Stentford & Co. in a separate account. It is expected that fully paid Letters of Acceptance and Allotment will be sent by post to successful applicants, at their own risk, not later than 9 March 1984 and that dealings will commence not later than 12 March 1984.

If any application is not accepted or is not accepted in full, the amount paid on application or the balance thereof, as the case may be, will be returned by cheque through the post at the applicant's risk.

Arrangements will be made for registration by the Company of all Ordinary Shares now offered for subscription free of stamp duty and registration fees in the names of successful applicants or persons in whose favour Letters of Acceptance and Allotment have been renounced provided that, in the case of renunciation, Letters of Acceptance and Allotment (duly completed in accordance with the instructions contained therein) are lodged for registration by 13 April 1984.

Share Certificates will be posted on or about 11 May 1984 at the risk of the persons entitled thereto.

Copies of this Offer for Subscription and Application Form can be obtained from:
Statham Duff Stoop, Capital House, 22 City Road, London EC1Y 2AJ.
Barclays Bank plc, Stock Exchange Branch, 8 Angel Court, Throgmorton Street, London EC2R 7HT.

The subscription lists will open at 10 a.m. on 2 March 1984 and may be closed at any time thereafter.

Cambium Venture Capital plc

(Incorporated in England and Wales under the Companies Acts 1948 to 1981 with Company No. 1731347)

OFFER FOR SUBSCRIPTION of up to 20,000,000 Ordinary Shares of 5p each at 25p per share payable in full on application.

Application Form

This form should be completed and lodged with Statham Duff Stoop, Capital House, 22 City Road, London EC1Y 2AJ, together with a remittance for the amount payable on application.

Applications must be for a minimum of 2,000 shares, then for whole multiples of 2,000 shares up to 10,000 shares and thereafter for whole multiples of 10,000 shares.

Number of shares applied for	Amount enclosed at 25p per share
	£

AMOUNT PAYABLE ON APPLICATION
2,000 shares £500
4,000 shares £1,000
6,000 shares £1,500
8,000 shares £2,000
10,000 shares £2,500
and so on in multiples of 10,000 shares.

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UK NEWS

Britain urged to seize initiative over pollution

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITAIN should be giving a lead in EEC efforts to set higher standards of pollution control instead of often adopting a defensive position. This is the view of the Royal Commission on Environmental Pollution in its latest report on the state of pollution in Britain.

The commission said the UK's commitment to international action had not always been as strong as it might.

Sometimes its reluctance to accept a majority view in the interests of the European Community might have harmed its international standing, the report added. It saw a need for "more positive attitudes and a willingness to seize the initiative."

But the report also acknowledged that some European Commission initiatives had been flawed, both scientifically and in their drafting, "and some unsatisfactory features have become enshrined in Community legislation."

The study examined changes in pollution control policy and consequences in Britain over the past 10 years.

It called for new legislation to control stubble-burning by farmers, and to control smoke emissions from diesel-engined vehicles. The Government was urged to announce a ban on the burning of stubble to take effect in five years' time.

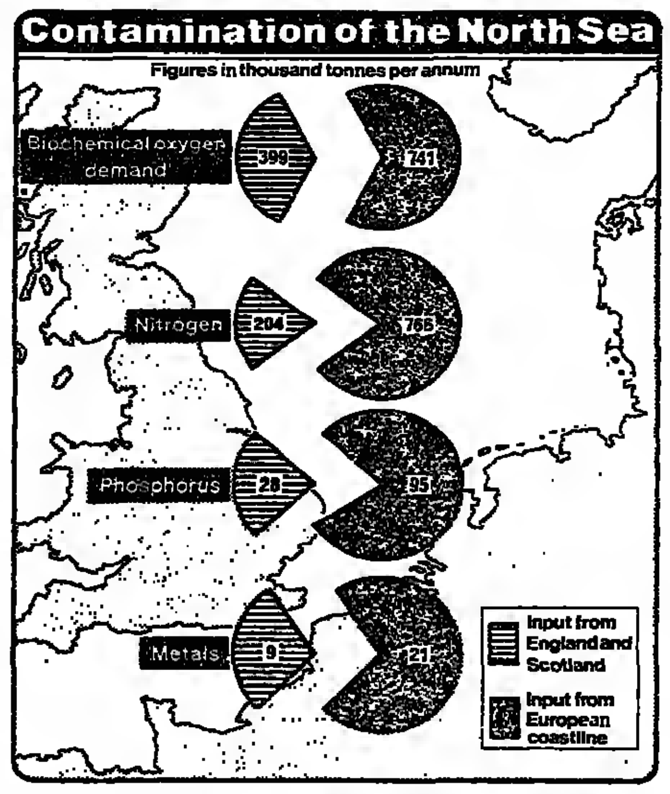
This would provide the impetus for farmers to find other ways of disposing of stubble, not available at present, it said.

In the case of diesel engines, it wanted legislation to allow local authorities to take action against operators of vehicles emitting too much smoke, backed by better ways of measuring smoke emissions.

Sir Richard Southwood, chairman of the commission, said there was a problem in proving that a vehicle was emitting excessive smoke.

Acid rain was a "matter of considerable concern" but there was still much uncertainty about what went on in the upper air and in the soil, he said.

Contamination of the North Sea



The report asked the Central Electricity Generating Board to plan for the worst outcome from present research into acid rain, and to make pilot studies over the next five years of the best technologies available for reducing sulphur emissions.

Such an initiative would be good for UK industry and could avoid dependence on overseas suppliers should a crash programme to install such equipment prove necessary.

Asked whether the commission had made any attempt to estimate the total cost of implementing the 52 conclusions and recommendations in the report, Sir Richard cited the uncertainties in costs of countering acid rain as one reason why it had not. It could lead to enormous errors, he said.

But the commission believed that Britain must inevitably move away from fossil fuel combustion for electricity generation, and it supported what it called a "modest increase" in nuclear capacity at this stage.

Sir Richard said he would consider the one-reactor-a-year proposal of the Government "an immodest increase." But the report accepted that later the nuclear programme might accelerate into a "rapid extension" of nuclear capacity as the best way of reducing air pollution.

"I think the record of the nuclear power generating industry is really quite good," Sir Richard said. He had more worries about nuclear waste. But so far as recent events at the Sellafield factory of British Nuclear Fuels were concerned, "nobody has been killed, nobody has been adversely affected so far as we know."

Enasa takeover of Seddon Atkinson approved by Madrid

BY DAVID WHITE IN MADRID

THE SPANISH Government yesterday gave its approval to the planned takeover by Enasa, the state-owned lorry manufacturer, of the British company Seddon Atkinson, based in Oldham, Lancashire.

Enasa, which makes Pegaso trucks and buses, signed a letter of intent with Seddon Atkinson's parent company, International Harvester (IH), last year after the multinational company's financial difficulties led to its withdrawal from truck operations outside North America.

Seddon made 1,264 heavy trucks last year. The deal with Enasa involves a share purchase at a "token price," according to the Spanish company, and immediate investments of £2m in the UK company. About two thirds of this is due to be financed by credit from British banks.

Enasa emphasised that it intended to keep the separate identity of Seddon and its products. The deal gives the Spanish group access to Seddon's network of 44 dealers in the UK.

Enasa said it did not intend initially to market its own lorries through this network, although it might seek to export Spanish-made buses to Britain. An additional interest for the Spanish group is to strengthen service facilities for Pegaso trucks outside Spain.

The takeover froms part of a series of European initiatives by Enasa, which was itself at one stage poised to become a subsidiary of International Harvester. IH withdrew from the arrangement in 1982 because of its financial problems. The Spanish company has reached an accord with the West German ZF concern to make transmissions under licence and to swap components. Recently, it concluded an agreement with DAF of the Netherlands for the joint development of lorry cabs.

Howe seeks curbs on EEC budget powers

BY IVOR OWEN

IN PRESSING for the early payment of Britain's £430m refund from the 1983 European Community budget, the Government is also calling for the introduction of new procedures to prevent injustified intervention by the European Parliament in budgetary matters, Sir Geoffrey Howe, the Foreign Secretary, said in the House of Commons yesterday.

He emphasised that Britain would be prepared to consider the case for increasing the Community's so-called own resources only when effective mechanisms were in place to check the rate of growth in spending on the Common Agricultural Policy, and to ensure that total expenditure was determined by the resources available.

Sir Geoffrey said the new arrangements for the control of budgetary expenditure by the Community must involve "putting in place a set of rules which apply to all the institutions of the Community", including the EEC Commission, the Council of Ministers and the European Parliament.

Earlier, Mr Roland Boyes (Labour), who is also a member of the European parliament, had suggested that the Foreign Secretary would have to "beg" the European Parliament to have a special meeting if Britain was to have any hope of obtaining the £430m by the March 31 deadline set by the Government.

Mr Robin Cook, Labour's chief spokesman on the EEC, maintained that the Foreign Secretary had not secured a single concession on the payment of the budget refund since Mrs Margaret Thatcher, the Prime Minister, attended the abortive summit meeting held in Athens in December.

With some anti-marketeers on the Conservative backbenches signalling their approval, he stressed that it would be the House of Commons and not the Government which had the final say about any proposals to increase the Community's own resources. He said: "You cannot expect this House to rubber stamp any surrender on this issue."

Sir Geoffrey fenced over a suggestion by Mr Cook that the level of the increase in own resources discussed by EEC foreign ministers at their council meeting in Brussels earlier this week would result in the British Treasury having to hand over more than a third of the revenue it obtained from VAT. He stated, "No sum of that kind was pressed at that meeting."

Angry miners jostle Coal Board chief

Financial Times Reporter

MR IAN MACGREGOR, chairman of the National Coal Board (NCB), was knocked to the ground during a demonstration by miners when he visited a pit in Northumberland yesterday.

Mr MacGregor had been due to go underground to inspect the coalface. But about 600 miners formed a picket in protest at threats to close other mines in the North-east. He was prevented from leaving the colliery offices for three hours.

When he did leave, police tried to restrain miners who were throwing eggs and bread. The chairman, who is 72, was forced against a fence, which collapsed, and he fell to the ground. An NCB official said later: "He was not unconscious at any time, he was temporarily dazed."

Labour force expected to rise by 750,000

BRITAIN'S labour force may rise by 750,000 in the decade to 1991, with almost all the growth coming before 1988, the Employment Department says in its latest forecasts.

Expansion reflecting continuing growth in the size of the population will increase to 26.9m the number of people able to work. The number of women to the labour force is expected to grow by about 500,000, almost twice the rate of increase in the male sector.

● THE BRITISH steel corporation is to close its Cargofleet Mill on Teesside, North-east England, because of continuing poor demand from the construction industry.

The mill employs more than 430 people directly and indirectly. The state-owned corporation said it would be able to offer jobs elsewhere in its Teesside operations. Net redundancies would be 200. A mass meeting of the workers will be held today.

● LEADERS of Liverpool city council declared that they were heading for a financial crisis and a confrontation with the Government after failing to win any concessions from Mr Patrick Jenkin, Environment Secretary, over the city's 1984-85 budget.

The Government has given the council a target of £216m for the year. The council is proposing a budget of about £250m but is not prepared to levy the higher property taxes needed to fund it.

● HEPWORTH CERAMICS' bid for Steetley, both leading makers of refractory bricks, has been blocked by the Monopolies and Mergers Commission.

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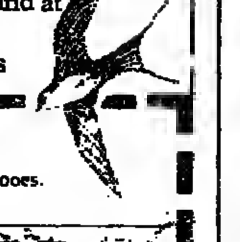

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PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: (Editorial) 8954871. Telex: (Advertising) 885033. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Guiollettstr. 54, D-6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone: 7598-0. Editorial: Guiollettstr. 54. Telex: 416052. Telephone: 7598-157.

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UK NEWS

Reuters reveals plans to keep its independence

BY CHARLES BATCHELOR

REUTERS, the international news agency and business information group, has been given unanimous approval by its 10-strong board of trustees to go ahead with plans for a public flotation of its shares.

Yesterday's announcement from the trustees clears the way for a listing of Reuters' shares on the London and New York stock exchanges, probably in mid-May, in an operation which is expected to value the 133-year-old news operation at least £1bn.

The flotation involves a restructuring of Reuters capital which will strengthen the control of the trustees over Reuters' integrity and independence. But it creates shares with differing voting rights — against the wishes of many large City of London institutions.

Reuters is at present owned by the British provincial and national newspapers, with nearly 41 per cent each, the Australian press (nearly 14 per cent), the New Zealand press (nearly 3 per cent) and Reuters executives (2 per cent). The trustees are appointed by the various newspaper groups.

Reuters will establish a new company, called Reuters Founders Share Company. It will be controlled by the existing trustees to maintain the principles of the 30-year-old trust agreement.

Another new company, to be called Reuters Holdings, will be formed to acquire the existing Reuters group.

Reuters Holdings will issue four classes of share:

- 'A' shares owned by the existing newspaper shareholders and representing 25 per cent of the equity and with four votes per share.
- 'B' shares representing nearly 75 per cent of the equity with one vote per share. Some of these shares will be offered to the public although no decision has yet been taken on how many.
- One Founders share, which can be used to prevent the disposal, termination or deterioration in the quality of the general news gathering service and to prevent anyone acquiring more than 15 per cent of any class of shares.
- 'E' shares, which can be issued to executives under a share incentive scheme.

Mr Geoffrey Upton, acting chairman of the trustees, said: "We had a two-hour meeting on Tuesday which had to cover a lot of ground. But we had time in advance to think about it and talk about it. The meeting went extremely well and decisions on every aspect were unanimous."

Mr Robert Furber, a senior partner of Clifford-Turner, the law firm advising the trustees, commented: "This trust agreement takes us literally miles further than the previous one. Legally it has been well thought-out by the company's lawyers. The documents involved are 1 ft thick, but it represents a very satisfactory solution."

Controversy has arisen over the flotation due to fears that control of Reuters might pass into the hands of business interests who would seek to interfere with the way in which the worldwide newsagency was run.

The trustees said they would be able to exercise an overriding vote to protect the quality of the agency's world news service. They could prevent any one group or faction from acquiring more than 15 per cent of any class of capital

BT staff to have free shares

BY IVOR OWEN, PARLIAMENTARY STAFF

EMPLOYEES of British Telecom (BT) are to receive a free share offer when it is privatised later this year, Lord Cockfield, the Chancellor of the Duchy of Lancaster, has announced.

He said that it will form part of a matching share offer, being devised by the Government, to encourage employee participation in the flotation of 51 per cent of shares in a public limited company, which BT will become on privatisation.

Lord Cockfield said the employee share participation scheme would be similar to that introduced when other state concerns were privatised.

The Government would only be involved in the scheme at the time of flotation. Any opportunities for further share purchases by employees would be a matter for the successor company to British Telecom to decide.

Lord Cockfield made it clear that the Government was not "excluding the possibility" that foreign investors might purchase some of the shares in BT in exactly the same way as they held shares in other companies.

GM moves to protect its Terex assets

Detroit's reluctant return to the UK heavy plant business

Mark Meredith explains why General Motors is poised to resume control of Western Europe's leading producer of heavy earthmoving equipment.

GENERAL MOTORS has reluctantly found itself actively back in the field of heavy construction equipment.

It is about to buy back from the receivers the UK arm of its former Terex subsidiary rather than lose through liquidation substantial property and financial interests retained by GM when it sold Terex to the now defunct IBH holdings' of West Germany in 1980.

Having got out of a worsening market three years ago, GM has found itself back in charge of Western Europe's main producer of the big end of heavy off-the-road earthmoving equipment.

To save its stake in the UK, it has bought the production licence, drawings and other rights from the main Terex plant in Hudson, Ohio, to allow Terex at Newhouse in Scotland to function more or less independently for the first time.

It is more than likely that GM sees the Terex transaction as a holding operation, although the company may reveal its hand only when the negotiations with the receivers are complete.

Terex in Scotland has been in the hands of the receivers since November of last year with the collapse of IBH, but GM remained a big creditor, having kept the titles to the Scottish factory and other substantial financial commitments.

By securing the independence of Terex from its U.S. base, assuring continued international distribution through Blackwood Hodge, and reducing the costs of the Scottish operations to a minimum, GM has tried to make Terex in Scotland as saleable as possible.

Only 350 of a workforce, once numbering 1,900, remain at the sprawling complex east of Glasgow, but production and spares supplies have been kept ticking over.

A newcomer may try to take over Terex alone, or perhaps a new attempt will be made where IBH failed — at pooling European resources to stand up to the international heavy equipment giants, Komatsu of Japan and Caterpillar of the U.S.

"There was nothing wrong with the IBH concept," said Carl Wilson, director of marketing for Terex in Ohio. "It was just the finances that went wrong."

The collapse IBH — an attempt to pull together a dozen various and often competing European equipment manufacturers — was precipitated by the failure of a big creditor, the Schröder, Münchmeyer Hengst Bank in West Germany last year.

"A distribution network is the key, and Terex and other European producers should be talking," Mr Wilson said.

The problem for Terex in Britain is that it is producing for the heavy end of the market, which has seen some dramatic falls. It produces big dump trucks from 17 to 85 tons and wheel loaders between 160 and 400 horsepower. At that end it competes with Caterpillar, Wabco and Euclid of the U.S. and Komatsu of Japan.

Terex's product mix has not been flexible enough to appeal to constructors who have moved downmarket with the recession from big civil engineering works like dams and big motorways into more modest projects requiring smaller equipment.

In particular the market for scrapers — mostly for the opencast mining industry — plummeted. Terex produced more than 160 in 1982, but this fell to under 50 in 1983.

Exports, the main market for Terex, fell heavily. "Europe is dead — stone dead," according to an industrialist who knows Terex well. African and Middle East market accounted for around 380 of the total 370 machines exported by Terex in 1982, and that fell to about 100 units to these areas out of a total 160 exports a year later.

In a slim order book for all, the products that do seem to sell are articulated dump trucks and 360-degree hydraulic excavators. The excavators can be seen on most building sites with a long boom extending from a swivelling cab, often mounted on a crawler chassis.

Terex does not produce the excavator, but it has had some success with a Scottish-designed and developed 22-ton articulated dump truck. A small design team in Scotland has to date been left to adapt equipment made for the U.S. market to European requirements.

The return of GM, keeping Terex possibly at arm's length could, in the view of some optimists in the business, lead to new opportunities for new, locally developed products to be marketed.

The $3m licensing agreement between GM and Terex U.S. could also well mean that heavy research and development payments no longer have to be paid back to the U.S. by the Scottish plant.

Differences between the plants and at times indifference by the U.S. plant to European demands has led to some difficult relations in the past.

Whatever the depression in the market — an Economist Intelligence Unit report said that demand for main products fell between 30 and 50 per cent since 1979 — traders in heavy equipment expect some return of orders at the heavy end of the product line during the coming year.

'Amnesty' rejected by Lloyd's

By Raymond Hughes, Law Courts Correspondent

LLOYD'S, the London insurance market, rejected in the High Court yesterday a suggestion that the 1982 Lloyd's Act granted an "amnesty" to any of its members guilty of misconduct committed before January 5, 1983.

If there were such an amnesty, it would mean that misconduct would go unpunished, Mr Peter Scott, QC, for Lloyd's told Mr Justice Neill.

"It would mean that its perpetrators would continue to be members of Lloyd's and there would therefore be a substantial and unconvenanted prize for successfully concealing misconduct until after January 5, 1983."

That, said Mr Scott, would plainly have very serious consequences for Lloyd's, its policyholders and the public, and could not have been intended by parliament.

Lloyd's faces a challenge to its internal disciplinary process by two underwriters, Mr Raymond Brooks and Mr Terence Dooley, against whom it has begun disciplinary action.

Lloyd's is asking the court to eclare that the 1982 Act, and the bylaws made under it, empower Lloyd's to take disciplinary action over offences by members committed before January 5, 1983, when Lloyd's set up its new disciplinary process.

Mr Scott said that, when the Act was passed, several instances of serious irregularities and malpractices had come to light. It must have been obvious to parliament that others, which would have to be dealt with under the disciplinary process, might come to light after the Act became law.

Mr Brooks and Mr Dooley had asserted that the 1982 Act granted an amnesty that operated unless charges had been made before January 5, 1983.

Mr Scott read evidence in which Mr Peter Judges, manager of the advisory department of Lloyd's stated, that a Lloyd's inquiry had found evidence of serious misconduct by Mr Brooks and Mr Dooley in placing substantial reinsurance of their syndicates with Fidentia Marine Insurance, a Bermudan company they were alleged to have created in 1970 and which was owned and controlled by them. Their challenge, Mr Judges's evidence said, was of the greatest importance to Lloyd's because of other investigations which had disclosed alleged serious misconduct and irregularities occurring before January 5, 1983. These were the subject of disciplinary proceedings against a number of other people.

Those investigated included Alexander Howden Underwriting, Posgate & Denby Agencies and PCW Underwriting.

Mr Brooks stated in an affidavit that the report on his and Mr Dooley's activities had identified no criminal offence. At no stage had there been any Lloyd's regulation or requirement prohibiting active underwriters from controlling insurance companies or effecting reinsurance of their syndicates with such companies.

The hearing continues today.

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UK NEWS

Minister defends £35m aid for Nissan plant

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

MR NORMAN LAMONT, the UK Industry Minister, yesterday defended the Government's decision to provide £35m in selective aid to Nissan towards the Japanese group's proposed UK car plant.

Mr Lamont gave a list of the expected benefits to the British economy. There would be 400 to 500 jobs in the first phase when 24,000 cars a year would be assembled from Japanese kits. There would also be import substitution because the 24,000 cars would be included in the Japanese import quota.

The minister said there would be opportunities for British component manufacturers to convince Nissan during the first phase that their products reached the highest standards required by the world's car makers.

When Nissan moved to phase two of the project, Mr Lamont said, there would be 6,000 net new jobs in Britain. Output would be increased to 100,000 cars a year with substantial local content.

Mr Lamont said there would be other advantages:

- Major benefits to the local economy in the region in which Nissan decided to establish the plant.
- Benefits to the component manufacturers in the West Midlands.
- An inflow of new management and manufacturing practices.

Mr Lamont said the Government believed "we have much to learn from Japanese companies in areas such as the relationship between supplier and final assembler; management and labour relations; manufacturing technology; and a quality control philosophy which designs and manufactures to consistent quality, rather than waiting to weed out manufacturing defects."

He pointed out that the £35m promised to Nissan would be paid only if the Japanese group moved forward to phase two. It was equivalent to 10 per cent of the total cost of the project.

"This is not out of line with the rate of assistance to other major regional investment projects – and there was no question of any rival countries bidding each other up in an auction," he said.

The minister suggested that Nissan's decision to invest in Britain might well come to be seen as an historic turning point.

Five executives from Nissan are to visit eight potential sites for the plant during the next few days. Yesterday the team visited Deeside Industrial Park in North Wales to inspect an 800-acre site.

UK ENGINEER STRENGTHENS RESEARCH AND DEVELOPMENT

GKN gears up to boost orders

BY LORNE BARLING

GKN, Britain's largest engineering group, is stepping up its research and development work in an effort to capture an increased share of world motor component orders.

Its most recent success has been the launch of a composite epoxy resin and glass fibre leaf spring for commercial vehicles, which is claimed to be at least two years ahead of competitive products.

GKN will soon open a £7m product development centre at the Wolverhampton headquarters of GKN Technology, where around £8m a year is now spent on the improvement of existing products and the development of new ones.

"The major motor manufacturers will be buying far more technology from component suppliers in future, and we see no limit to research and development investment when it is necessary," said Dr Peter Watson, GKN general manager, product development.

"We identified the composite spring budget in 1976 and only now are we moving towards production because it took that long to get it right. Work on new composite components is also going ahead."

GKN will seek deals overseas if its £67m bid for AE, the engine component maker, falls through. Sir Trevor Holdsworth, GKN chairman, said last night that the company wanted to market integrated engine systems rather than individual components.

GKN Technology employs around 300 people to solve problems for group companies, identify new products and carry out a limited amount of "blue skies" research, which occasionally turns up important new materials and processes.

In addition, it is dedicated to updating manufacturing systems within the group, an important role since total GKN investment is expected to rise to around £100m a year in the near future. "There is no point in developing new products if you cannot make them efficiently," Dr Watson said.

This requirement was reinforced by pressure from leading motor manufacturers for cheaper, lighter and more efficient components. "They are concerned with the total vehicle and are now tending to leave component design to companies such as ourselves," he added.

Computer-aided design and manufacture have gone a long way towards achieving these goals, and composite metal components promise to provide additional benefits. For example, ceramic fibres are being incorporated into systems to improve heat resistance, and steel is being implanted into aluminium to increase durability.

GKN foresees combinations of other materials, such as metals with glass or epoxy resins, playing an important part in future component design.

In addition, advanced testing techniques, such as the computer systems which now help to assess the life expectancy of parts, are expected to speed up the development of the new generation products.

The company believes components will increasingly be supplied in packages of related functions, since their integration tends to reduce manufacturing and assembly costs.

However, the main difficulty facing GKN Technology in the long term is how to choose the right component for development.

Building societies plan big expansion

Financial Times Reporter

BUILDING SOCIETIES, the savings institutions which have long been the prime source of funds for house purchase in Britain, are seeking government blessing for a major expansion of their activities.

A report by the Building Societies Association, now in the hands of the Government, is expected to provide the guidelines for legislation which will permit societies to develop services on two fronts.

On the banking side, they want to be able to offer personal loans and hire purchase facilities, overdrafts, cheque books and cheque guarantee cards, travellers' cheques and foreign currency.

In the housing sector they want to extend their operations into conveyancing (the legal side of house purchase), estate agency services, property surveys and insurance broking.

The societies are also seeking powers to acquire and hold land for housing development and to be allowed to extend housing finance in other EEC countries.

The Government is due to publish a Green Paper (discussion document) in the next few months. It has already announced plans for simplifying house purchase, which would enable societies to do conveyancing work.

Banks are thought to have no objection in principle to the wider powers, provided the societies compete on an equal footing – particularly in terms of supervision – and have adequate capital, management resources and expertise.

Britain has more than 200 building societies with a network of branches extending to most towns and cities. Their total deposits exceed £72bn, with assets in the region of £78bn.

The Treasury and the Department of the Environment are known to have been closely involved in drawing up the association's report.

Mr Herbert Walden, the association's chairman, said he would be disappointed if building societies were not granted the powers they were seeking.

FT COMMERCIAL LAW REPORTS

Judges uphold arbitrator's decision on ship damage

Restrictions of U.S. marine Act rejected

Court of Appeal (Lord Justice Oliver and Lord Justice Robert Goff): February 7, 1984.

WHERE THE Hague Rules are incorporated into a charterparty by U.S. clause paramount, liability immunities under the Rules will apply though the vessel was not carrying goods to or from U.S. ports but was chartered to lighten another vessel in a foreign port; and the immunities extend to loss or damage arising from activities normally performed under a charterparty and are not limited to bill of lading activities specified in the Rules.

THE COURT of Appeal so held when dismissing an appeal by Seven Seas Transportation, owners of Satya Kailash and charterers of Oceanic Amity, from Mr Justice Staughton's decision upholding an arbitrator's award that Pacifico Union Marina Corporation, owners of Oceanic Amity, were immune from liability for damage to Satya Kailash caused by the master of Oceanic Amity.

The U.S. Carriage of Goods by Sea Act 1936 incorporates the Hague Rules. Section 2 provides: "Subject to... section 6, under every contract of carriage of goods by sea, the carrier in relation to the loading... and discharge of such goods, shall be... entitled to the rights and immunities hereinafter set forth."

Section 4(2) says: "Neither the carrier nor the ship shall be responsible for loss or damage arising... from (a) act, neglect or default of the master." Section 13 says: "This Act shall apply to all contracts for carriage of goods by sea to or from ports of the U.S. in foreign trade..."

Lord Justice Robert Goff, giving the judgment of the court, said that Seven Seas owned a vessel called Satya Kailash. She was due to discharge her cargo at an Indian port, but was too deeply laden to enter.

Seven Seas chartered Oceanic Amity from Pacifico for the purpose of lightening Satya Kailash. The charterparty, dated June 26, 1975, was in the New York Produce Exchange (NYPE) form, and was for a 20 to 40 days lightening operation.

Clause 16 of the charterparty provided for mutual exceptions from liability in the case of "Acts of God... and errors of navigation." Clause 24 provided that "this charter" should be subject to a clause paramount which incorporated the U.S. Carriage of Goods by Sea Act 1936 into "this bill of lading."

The charter stated: "It is understood charterers intend to use vesses to lighten grain from mother ship to Indian ports."

During the lightening operation, the two vessels came into contact on several occasions. They both suffered damage which led to arbitration. The arbitrator concluded that on each occasion the contact was caused by negligent navigation by the master of Oceanic Amity.

The question was whether Pacifico was exempt from liability for damage to Satya Kailash. The arbitrator indicated that in his opinion, Pacifico was not protected by clause 16 of the charter, but was protected by clause 24. A consultative case was stated for the opinion of the High Court, and Mr Justice Staughton agreed with the arbitrator.

Seven Seas appealed from Mr Justice Staughton's decision that Pacifico was exempt by virtue of clause 24.

Mr Rokison, for Seven Seas, submitted that section 4 of the U.S. Act was not effectively incorporated into the charter as contemplated and performed. He said that by virtue of section 13, the Act applied only to contracts for carriage of goods to or from U.S. ports in foreign trade, whereas the present charter was concerned only with a lightening operation.

In *Adamastos [1959] AC 133*, a tanker was chartered for 18 months for worldwide trading. A typed slip incorporated the 1936 Act into "this bill of lading." The owners sought to escape responsibility for delay, resulting from incompetence of engine room staff, by relying on section 4.

The House of Lords held by a majority that the Act affected the parties' rights and liabilities in connection with cargo carrying and non-cargo carrying voyages other than to U.S. ports.

Viscount Simonds said: "The contract... is of worldwide scope: the area of state jurisdiction is necessarily limited... No reason could be suggested why a similar restriction should be imported into the contract. On the contrary, to do so would from the commercial point of view make nonsense of it."

Clause 24 showed an intention to render the U.S. Act applicable to charter parties in the NYPE form, notwithstanding that the Act was so drawn as to apply to bill of lading contracts, not charterparties. Thus, those parts of the Act which were inappropriate to charterparties must be disregarded.

The NYPE form of charter was normally for a contract whereby the services of the ship, master and crew were made available for a particular period without specifying a voyage or voyages.

In those circumstances, it would be most surprising if the intention was that over that period the standards of performance provided for in the Act could only be applicable where the charterer ordered the ship to sea on a voyage to or from a U.S. port. No sensible reason could be given for any such distinction.

The geographical restrictions in the U.S. Act should be rejected in a case where a charter incorporated the Act by clause paramount. To import the restrictions would, as Viscount Simonds said in Adamastos, make nonsense of the contract from the commercial point of view.

The charterparty did effectively incorporate the U.S. Act, and its effect was not confined to voyages to and from U.S. ports. Section 4 was, therefore applicable to the contractual adventure as contemplated and performed.

Mr Rokison submitted that even if section 4 were incorporated, damage suffered by Satya Kailash was not "loss or damage" arising from the act, neglect or default of the master in the navigation of the ship within section 4(2).

The question was whether Pacifico could invoke the immunities in section 4, not in respect of damage to goods carried, but in respect of damage to the mother ship.

In Adamastos one *ratio decidendi* was that where the subject matter of the contract was not merely the carriage of goods by sea, but was voyages, the immunities in section 4 were to be read as relating to the contractual voyages, despite the express words of section 2.

In the Australian case of *Miller [1968] Lloyd's Rep 448*, Barwick C.J. said: "the limitation of the generality of 'loss or damage' ... must be found in the relationship of the parties and the nature and extent of the rights and obligations exacted and given by each to the other..."

Section 2 specified the activities in relation to which the carrier should be entitled to immunities. It comprehended the full range of activities under the ordinary bill of lading contract to which the Act applied.

However, under a charterparty, whether time or voyage, the owner was required to perform a wider range of activities than those specified in section 2. If the Act was incorporated into the charterparty then on the Adamastos approach, the owner was entitled to invoke the immunities of section 4 in respect of that wider range of activities. That approach was consistent with Miller.

Loading grain from the Satya Kailash was a contractual activity to be performed by Oceanic Amity under the charter. There was no reason why, in principle, the benefit of the immunities continued in section 4 should not be available to Pacifico in respect of damage caused to Seven Seas in performance of that activity, even though the damage did not fall within any of the activities in section 2.

Mr Rokison also submitted that Pacifico was not entitled to immunity since the damage to Satya Kailash did not result in loss or damage suffered by Seven Seas in its capacity as charterer.

That was not accepted. By contracting in the terms of the charterparty, Seven Seas was expressly conferring on Pacifico the benefit of the relevant immunities in respect of its contractual activities. Seven Seas must be taken to have recognised that if any of its property involved in the adventure was at risk from such activities, Pacifico should be entitled to the benefit of such immunities.

For those reasons the appeal should be dismissed.

A cross-appeal by Pacifico from Mr Justice Staughton's conclusion that "errors of navigation" in clause 16 did not embrace negligent errors was dismissed.

For Seven Seas: Kenneth Rokison QC and John Thomas (Richards Butler & Co.)

For Pacifico: Nicholas Phillips QC and Jonathan Sumption (Clyde & Co.)

By Rachel Davies
Barrister

Harry Gray's homilies

Terry Dodsworth on United Technologies' campaign

Is that
what you
want to do?
Quit?
Anyhody can
do that.
Takes no talent.
Takes no guts.
It's exactly
what your
adversaries
hope
you will do.
Get your
facts straigbt.
Know what
you're talking
about.
And keep going.
In the 1948
Presidential election,
the nation's leading
political reporters
all predicted
Harry Truman
would lose.
He won.
Winston Churchill
said.
"Never give in."
"Never. Never."
Sir Winston stuck
his chin out
and wouldn't quit.
Try sticking out
your chin.
Don't give up.
Ever.

This may or may not be the sort of message that you would like to pin on the wall and throw darts at—or even frame and hang over your desk. But it is difficult to ignore. Indeed, it is virtually impossible to avoid wheo splashed down a single column on an entire back page of the Wall Street Journal, looking passably like a chunk of e. e. cummings verse.

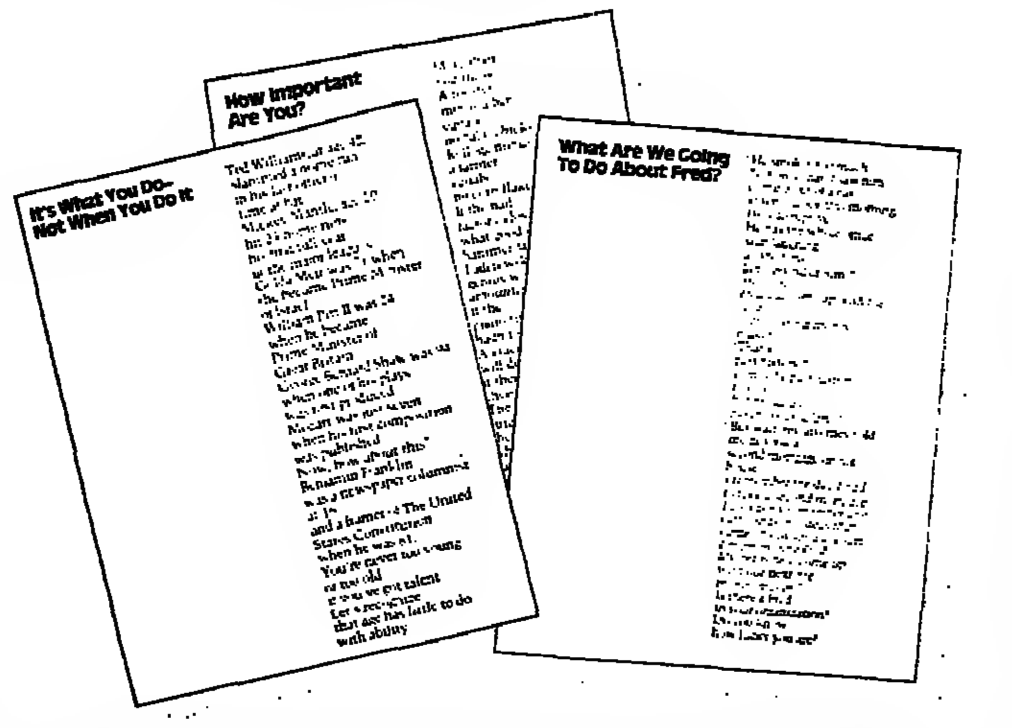
It costs around $65,000 to take *a full* page oo *the* back *of the* Wall Street Journal, so anyone who uses it for upbeat homilies has to be a rich eccentric or have a deeply serious ulterior motive. In this case, of course, it is the latter. The giveaway comes in a tiny printed message at the bottom of the page: "How we perform as individuals will determine how we perform as a nation. Free: If you would like an 8½ in by 11 in reprint of this message, write to Harry J. Gray, chairman and chief executive officer, United Technologies."

United Technologies is one of those big, ambitious, yet faceless conglomerates that are much better known among the general public for their parts than for the whole. The company has gone on conglomerating long after the idea has supposedly become unfashionable, driven by Harry Gray's ability to create a powerful international grouping of technologically based companies. A former executive at Litton Industries, one of the trend-setters in the conglomerate era, Gray has already gone a long way towards his objective: after working on the concept for about 15 years, UT now boasts such names as Pratt and Whitney, Otis Elevators, Mostek semiconductors, Hamilton controls, and Sikorsky helicopters. It also builds parts of cruise missiles.

Gray naturally wants his group to be known and talked about, if for no other reason than that companies which grow by takeover require a strong share price. And the idea of spending $65,000 to moralise to an audience of around 2m once a *month* is derived *from* this objective.

As Gray explains: "We had a choice to make: we could launch the traditional sort of ad series to explain our product lines, our research investments, our operating philosophy, our financial results. Or we could tawe a flyer oo a strikingly untraditional series of messages which would discuss life in general instead of life at the corporation."

There is absolutely no question about the popularity of these messages. Since they began running, five years ago, UT has received 2.5m requests for reprints, 522,000 letters, and innumerable presents of candy, flowers and even civic awards.



The messages have been used by schools, employed by the armed services as motivational material, and read out by Johnny Carson to 15m people on one of the U.S.'s most popular comedy shows. (At the time Mr Carson was suffering from over-exposure in the Press, and read out UT's blank verse condemnation of gossip.)

Four people are permanently employed to answer the mail that pours in after each ad (the record is 35,778 for "Don't Be Afraid to Fail"), and every correspondent receives a reply.

All this probably adds up to one of the most far-reaching corporate advertising campaigns ever. For one of its homilies, entitled "Let's get rid of The Girl," which invited executives to start calling secretaries by name, the company received the unusual accolade of thanks from a secretarial agency in another full page ad in the Wall Street Journal.

It is oot cheap to run. With the expense of the advertising space and the letter-answering service, total costs are now running at around $1.2m annually out of the $6m the company budgets for corporate advertising. But in return, UT receives an entrée into hundreds of thousands of homes a year; quite apart from the fact that many people must, out of curiosity, search for the authorship of the messages at the bottom of the page, anyone who asks for a copy receives a full accouot of UT at the same time.

How valuable this is to UT is anyone's guess: for the record, the company is currently trading at a relatively modest price/earnings ratio of 8.8. Nor does anyone at the company know for sure why the series has attracted so much attention from the man-in-the-street.

Gray, who personally supervises the copywriting, says that he has a number of theories, including the fact that the campaign invites people to think, while tackling everyday subjects that can be solved. "Most basically," he says, "we believe we struck a responsive chord with the underlying theme for this campaign. How we perform as individuals will determine how we perform as a nation.

"In a democracy this has to be so. In a corporation, too, individual behaviour is the key to organisational performance. Our readers evidently find the theme sensible and inspiring at the same time."

Perhaps the style of the copywriting also has something to do with the strength of the response. Readers openly jest about the heart-on-the-sleeve moralising of the UT copy, but it has a jaunty attraction that almost demands a response. And like all effective verse it is wonderful material for parody. In a copy of "Off the Wall Street Journal", *the mock* oewspaper produced by a group of Harvard sophisticates as an occasional lampoon of the financial world's daily fix, there is a hilarious send-up of the UT homily.

Harry Gray may not like this, but Art, after all, is Art. It is entitled "A Message from Your Sponsor," and it runs:

Do you know
who we are?
We do.
We're some of the most
important
people on earth.
We define importance
as being the smallest
possible number of
people in control
of the largest possible
company. That's us.
You may be wondering
why we spend so much
money to take the space
to tell you this.
Well, we feel like it.
We don't really care
what you think.
(Unless you're one of us
and you know if you are.
In which case you
wouldn't bother
to read this.)
So if you are reading this
the joke is on you.
You're not one of us.
That's why we're not
even going
to identify ourselves.
If you don't know who
we are we don't want
to know you.
Nyah nyah
nyah-nyah nyah.

Pfizer: a hot marketer —and proud of it

BY CARLA RAPOPORT

LIKE any other manufacturer, drug *companies* can *fall miser*ably by being either too cautious or too ambitious in marketing and promoting oew products.

Despite the many years it takes to bring a drug to the market, ooly around 3,500 people will have taken the product io clinical trials before it receives approval. A drug can suddenly turn into much more than just a marketing nightmare if successful promotion not only brings in high sales but also results in unexpectedly high reports of side-effects and even deaths.

For these and other reasons, marketing has a somewhat nasty ring to it within the drug industry. Good products which make sick people well *should* sell themselves, runs the conventional wisdom. So what happens is that any company which gains a reputation for being good at marketing bas to live with a slightly tarnished image—among its peers and industry analysts—simply because it is actively selling its discoveries.

This wisdom has been slowly changing. One company which has long been known as a good marketing compay for all the good or bad that has implied, is Pfizer of New York, the world's sixth largest drug company. According to the company's president, Dr Gerald Laubach, however, this is a reputation Pfizer is proud to have.

"I'm not at all *shy* about being billed as a hot marketing company; there might not be a more complimentary thing you could say about us," he says.

According to Laubach, the marketing of a drug is a science, just like the development of a drug. "I think one of the least understood characteristics about our industry is the amount of scientific research that must be carried out once the product is on the market. The fact is, to make the most of a sophisticated therapeutic agent, you must invest in follow-up research for 10 to 15 years after it has reached the market. That is what constitutes successful marketing and growth."

Gerald Laubach: "The drugs industry is essentially a service industry"

"I came into this industry when marketing consisted of giving away golf balls. It's almost unbelieveable how *marketing* has changed; it's now almost as scientific as anything we do," he says.

To back up this claim, Pfizer maintains a clinical research department for its established drugs which is larger than its clinical programme for drug *development* — al*though* it spends more money on drug development. As a result, Pfizer is able to promote its older drugs on the basis of current research.

A good example of this is Pfizer's success with Minipress, an anti-hypertensive drug which has been on the U.S. market for about six years. Drugs in the Minipress category have not generally been favoured as the first choice of American doctors for treating high blood pressure. However, in 1983, Pfizer was able to present new scientific evidence showing that the first-choice drugs—thiazide diuretics—carried some longer-term risks to patients. As a result sales of Minipress jumped to $165m last year from $135m in 1982 and Wall Street expects sales of $198m this year.

"How does it happeo that five or six years after our launch, we're making these claims?" says Laubach. "We'va been making substantial clinical trials with Minipress against other products. I could run down the list; this isn't the only one. There isn't one which isn't being extensively promoted on the basis of scientific findings which are current."

This sort of research, however, has to be carefully segregated. "You cannot ask the same people you want to go out and fight the tough battle on the frontiers of science also to be attentive to current developments in hypertension therapy. You have to develop two organisations which are not in conflict," he says, and also to ensure that both groups know how important their work is to the success of the overall company.

Laubach says that many outsiders mistakenly view the drug industry as part of the manufacturing sector, geared to high output. "It is, io fact, essentially a service industry. The kind of research I'm talking about is a very significant part of the service element.

"The interaction with our customers and physicians, the feedback from them, the changing perceptions of disease and therapy that comes from a hands-on involvement with the customer — this drives our research on our existing products," he says.

In effect, Pfizer is aiming to tailor its established products to the needs of the medical profession, rather than to the needs of the regulatory agencies.

The disdaio accorded to applied scientific research, he says, is misplaced. "We in the U.S. speod more money than anyone else io the world on basic biomedical research. The fact that so maoy of the fruits of that basic research is being realised at the product level by the Japaoese and others should be a source of national embarrassment."

The success of the American drug industry, he says, should be measured by the oumber of products that beoefit sick people, not the numbers of papers that come out in eminent scientific journals. "I look upon our role as the applied research aod development arm of American biomedicine and I think it's an honourable one."

THE ARTS

British Museum/Roy Strong

The small pleasures of Korean art

Treasures from Korea (at the British Museum until May 13th) is a victim of oversell. As costs soar exhibition organisers have to bill everything as being even bigger, better, more spectacular and more glamorous than ever before. This exhibition is not on the scale of either the Japanese or the Venetian exhibitions at the Royal Academy or even of the nearest comparable event at the British Museum, the Vikings. It is, in truth, a modest affair occupying one largish room and an annexe in the west wing.

The inevitable banners are suspended across Smirke's noble facade and a circuitous barriered route optimistically suggests that shivering queues are about to arrive. Members of the British Museum staff who endured the Tutunkhamun exhibition need not fear. On that occasion a mobile loo was stationed in the forecourt to service the ravening hordes and the director was barely able to back his way to his own residence.

Either the Koreans have been generous with loans or the British Museum mean over space. Whichever, the poor Design Office was clearly faced with too many objects in too small a space and too many of the same kind. It is difficult to know what to do with all those pots, mostly the same colour, except to stick them in the showcases. So close are the latter jammed that it is hardly possible to navigate a path and attaining aesthetic distance is an impossibility. Which brings me to the showcases. These are standard museum issue (what we call IOIs in the profession) but transformed by an overlay into mini Korean pagodas with jutting eaves. It is depressing that a design section of one of our national museums should sink to this level of kitsch, particularly when its head is an RDI. No less than three designers are credited, which may explain a lot.

We have to face up to the fact that most people visiting the exhibition will know little about Korea and even less about its art. Beyond an association with war, and as a place the Royal Ballet has been to, the visitor will want guidance. And this he gets from the moment of approach. When in the exhibition it is best for western eyes to pick a familiar point of departure. Mine was the series of quite marvellous portraits. At their best they have the analytical precision of a line of northern renaissance portraiture as exemplified by Dürer of Holbein.

Yuw Du-So stares out at us in a self-portrait like the Cheshire cat in *Alice*, a face floating in space, his whiskers framing his features like a ruff. From this it is an easy progression to the animal portraits, often by the same artists. The large painting of cats and sparrows is a delight with its observation of a kitten who has essayed a tree but is about to fall off and a mature cat below who looks up at him thinking "Silly idiot." A tiger also catches this Korean brilliance of animal observation, although in this instance to quite different effect, as this Blakeian creature arches its vast back and crooks its tail. The verse it carries tells all: "Fierce and sharp-fanged, who dares to meet him? Tragedy befell old Master Huang of the Eastern Sea."

But without doubt the excitement of the exhibition lies in the loans from recent excavations, in the main made during the 1970s. To part with these exotic objects is generosity indeed. The first group come from the tomb of King Munyong which was discovered in 1971. He was a major ruler of the western kingdom of Paekche when the peninsula was divided roughly down the middle from north to south. In our chronology these things are sixth century and the chief glories are two head ornaments for the king and queen. Each is one of a pair, sinuous aigrettes cut out in gold silhouette that sprouted from their silken caps. These are eclipsed only by the golden pieces from a series of burial sites with delectable names: the Golden Crown Tomb, the Tomb of the Heavenly Horse and the Great Tomb of Hwangnam-ni. The first was excavated in 1921, the second in 1973 and the third from 1973-75. All these are Silla royal tombs and belong to a period of great opulence. The huge crown of fretwork gold hung with jade with long pendants of golden spangles evoke a society of garish sophistication. It is matched by girdles, pendants and earrings of equal splendour.

Another major point of contact for us is the display of Punch'ong wares. These had a profound influence on major modern European potters and visitors studying these "powder green" ceramics will recall at once the work of Bernard Leach.

Inevitably one must conclude that although these objects undoubtedly have an idiosyncrasy of their own, to the average uneducated Western eye they remain reflections of the mainstreams of Chinese and Japanese art. It is better to go in the fullness of that knowledge. We experience similar difficulties in our own case with early American art which to us looks like provincial 18th-century English. That is our loss. To enjoy the Korean exhibition, and it is pleasurable, one must also not go buoyed up by the false expectancy aroused by the mammoth posters sprouting up on the boardings which suggest something like the *Mona Lisa* on the move again.

Export of cabinet shelved

The licence to export an 18th century German walnut bureau cabinet has been suspended for three months by Lord Gowrie, the arts minister.

Made in Mainz, the cabinet is valued at £99,640.

Self Portrait by Yuw Du-So

Bach Choir/Festival Hall

Max Loppert

First given at the 1982 Three Choirs Festival, William Mathias's *Lux aeterna* was brought to London for the first time by the Bach Choir and London Symphony Orchestra—it is the Welsh composer's 50th year, and Tuesday's performance was one of the early dates on the Mathias celebration schedule.

Lux aeterna, enshrining the memory of Mathias's mother, is a not-quite-requiem interleaved with other texts. The ground-plan of the score is worked on three levels—main choir singing Mass texts, boys' choir (from St George's, Windsor) anthems, and three female soloists (Felicity Lott, Margaret Cable, Penelope Walker) settings of St John of the Cross poems in Roy Campbell's translation. The first three movements explore the implied textual and textural contrasts; the finale superimposes and fuses all forces.

It is difficult to know how to review the piece justly. Although I found it a facile sample of choral patchwork, embarrassingly (if unembarrassedly) open in its reliance on influences ranging from the *War Requiem* to *Belshazzar's Feast* (with heavy glances at Bartok, Messiaen, Shostakovich and Holst en route), there is a quality of conviction, easy address of large forces, and sheer gusto about the music that must endear it widely to choral performers and their audiences. Mathias has the gift of recording—or, shall one say, recalling—imagery that makes its immediate effect even while one regrets its obviousness; the songs for soprano, mezzo and contralto (individually and then in consort) are marked by such decisiveness of touch.

Under David Willcocks the performance moved with all the expected security of control. Most of the rehearsal time had evidently been lavished on Mathias; Poulenc's *Gloria* and Debussy's *La Damoiselle élue*, earlier on, suffered correspondingly from lax ensemble, dully decorous choral singing, and unpolished orchestral playing. (The Debussy, an early masterpiece and a rarity, was a particularly sad casualty.) In both, Miss Lott's pure soprano line and unforced sense of style almost contrived to make up the difference.

Bed-Pan Alley/Shaw Theatre

Michael Coveney

The Scottish touring company, Wildcat, is at the Shaw Theatre this week to pour scorn on the Government's health policy. We are reminded that 109 hospitals have been closed since 1979, 13,000 beds lost. The one thread of dramatic plot follows preparations for a royal visit. In the final scene, an effigy of Lady Di is wheeled on. On a trolley—had she, too, fallen out of her pram?

I felt I could hardly ask Michael Meacher, MP, who seemed to be enjoying it all hugely alongside Willie Hamilton, MP. Jokes about Mrs Thatcher's health policies *and* royalty could hardly find an easier double target. Lady Di, in fact, had arrived to declare a new wing closed, which she did by tying a selection of red, white and blue ribbons firmly round a microphone.

While the Princess's special lavatory is discussed, a grocery store magnate called Sainsbury offers an instant time and motion study that would delight the Selsdon Group which recommended privatisation of the NHS. He is met with complaints that 13 per cent of the NHS budget finds its way into the pharmaceutical industry (so what?) and warnings that only 5 per cent of NHS costs are administrative, whereas the U.S., thoroughly privatised, spends 21 per cent on red tape.

Chatty interludes with a Glaswegian Malaprop boasting about her "various veins" and "hysterical rectum" do little but trade on the myth of the ignorant patient in the bands of a tyrannical, uncaring medical profession.

The show, written and directed by David MacLennan, may be physically inert (a suitable image, it could be argued) but it also contains the best theatre music in London. In front of a drab arrangement of white screens, the cast of five, who are all credited with the score's composition, quick-change in all the roles and play a combination of keyboards, synthesizers and percussion and sing passionately, beautifully.

The sound ranges from passionate rock (Myra McFadyen on a nurse's crush) to smoky ballad, a capella finger-snapping close harmony for a consultant's long-awaited visit, and punchily melodic choruses throughout. The lyrics are frequently first class, the opening number a seductively complex demonstration of the Wildcat style which the rest of the evening never quite matches.

Playboy of the West Indies/Tricycle

Martin Hoyle

From Mayo to Mayaro, from shebeen to rum-shop, J.M. Synge's wishfully thinking parricide has made an effortless transition from Atlantic to Caribbean; and the lilting rhythms remain the same.

Mustapha Matura's Trinidadian version of the Irish masterpiece brings out not only the ebullient loquacity common to Celt and West Indian, but the creative imagination, laced with superstition, of an inward-looking peasant community to whom everything beyond the immediate horizon is mysterious, and to whom everything is therefore possible.

Mr Matura's main alteration has been to transform the roguishly self-possessed Widow Quin into a frighteningly dishevelled obeah-woman, played with mad comic relish by Mona Hammond. Otherwise the play is virtually a paraphrase of Synge's original, fascinatingly exoticised. The playboy's confession of murder is greeted with admiring cries of "sly mongoose!" His tenderness is expressed in lyrical passages about crabs dancing in the moonlight.

There are moments when the Caribbean accent—apart from the vocabulary: the programme even prints a glossary—is hard to understand. The high spirits and buoyancy need no translation, however. An ungrateful doubt remains as to whether the new version stands on its own merit or as an immensely diverting exercise on the original. The audience, including, I am reliably informed, half a dozen High Commissioners, loved it; but should Peggy/Pegeen's final lament at her loss be a cause for hilarity?

Joan Ann Maynard and Jim Findley

Nicolas Kent's production for the Oxford Playhouse Company is set firmly in 1950 Trinidad: Adrianne Lobel's rum-shop set strikes the balance between the respectable and the shanty, and hints at the jungle beyond. Joan Ann Maynard's Peggy begins by exuding the impassive disapproval familiar to all users of London Transport, but melts touchingly in the arms of her hero, convincing in both triumph and humiliation as played by Jim Findley. As her wimpish suitor, here called Stanley, Jason Rose is free of exaggeration; and Joy Richardson and Jackie De Peza as two giggling village girls are a great deal noisier, ruder and funnier than their counterpart colleens.

Paris Theatre/Nicholas Powell

Off with the new at the Comédie Française

A contemporary writer has adapted a play for the Comédie Française but his work is overshadowed by Moliere and Diderot

When Jean-Pierre Vincent took over as Administrator of the Comédie Française last September he accomplished the rare feat of including a living author in the company repertoire. His predecessor Jacques Toja had spent years making overtures to Jean Genet and Jean-Paul Sartre, only to be turned down by both.

The result, *Felicité*, by Jean Audureau, based on Flaubert's short story "Un Coeur Simple" and directed by Jean-Pierre Vincent is a notable flop. Jean Audureau's languid text fails, despite a few lyrical moments, to re-create anything like the stifling tragic atmosphere of Flaubert's tale, in which an ageing maid, ironically named Felicité, in the service of the impoverished and lonely Madame Aubain, compensates for the emotional sterility of her existence by forming a passionate relationship with a parrot.

The strength of Flaubert's short story, which contains virtually no dialogue, resides in its descriptive power. At the Comédie Française two of the company's finest actresses, Denise Gence as Felicité and Françoise Seigner as Madame Aubain, struggle to save a production which suffers from drab scenery and an absence of stage action.

Animals, as all actresses know, are impossible to upstage. The parrot at the Comédie Française ("Kim" according to the programme) is a resplendent and placid creature which, perched midstage among so much tedium, gives rise to all sorts of Thurberish thoughts: is he happy? Or drugged? Will he misbehave? On opening night he came near to snapping off one of Denise Gence's fingers. Ever since he has been stealing what there is of a show to steal.

A major success of the new regime at the Comédie Française, however, is a new production of *L'Ecole des Femmes*, the most frequently performed of Molière's plays. The choice of boulevard theatre veteran Jean le Poulain as Arnolphe, the salacious bourgeois who wants to imprison his ward Agnes in marriage, was risky. Le Poulain, as he proved in *Le Malade Imaginaire*, tends to reduce Molière's savage comedy to the level of light family entertainment.

Directed by Jacques Rosner in "*L'Ecoles des Femmes*," le Polain has enlarged his range to create an irresistibly ridiculous Arnolphe, full of savage sexual greed. The difficult role of Agnes, which too easily slips into the portrait of a colourless ingenue, is admirably handled by Nathalie Becue, a young girl who combines innocence with a determination to marry her lover, Horace, against Arnolphe's wishes.

The play was first performed in 1662 when Molière, aged 40, married Armande Béjart, 20 years his junior. It amused Louis XIV so much that the playwright was accorded a "royal pension." The grotesque ironies of Arnolphe's possessiveness are just as entertaining and cruel today, despite a curious set by Max Schoendorff made mainly of metal tubes which does nothing but distract.

The excellent scenery of "*Est-il bon? Est-il Mechant?*" by Denis Diderot, which has just opened at the Comédie Française contributes to the play by allowing an extra dimension of off stage action. The play is set in a salon. Transparent panels in a simple, white wood set enables us to see characters preparing their entrances, servants at work in a garden. The impression created is not just that of a room, but of an entire house.

Philosopher Denis Diderot, whose interest in theatre developed when he was in his forties, greatly admired Molière. Several self conscious references to his predecessor's genius in "*Est-il bon? Est-il Mechant?*" betray a sense not of confident emulation but unease: Diderot's play, performed when he was 71, is the work of a man more accustomed to the rational discipline of 18th Century philosophical debate than the less rational world of the theatre.

Commissioned by a despotic society hostess, Madame de Chepy, to produce an entertainment, the playwright Hardouin fritters away his time in philanthropic intrigues, eventually confiding the writing of the play to a second-rate hack, Monsieur de Surmont. His intriguing on behalf of others involves duplicity and the exploitation of the weaknesses of those he helps. Hardouin is consequently attacked from all sides when his tricks are discovered. The ancient problem of whether the end can justify the means, never resolved, is fortunately forgotten when de Surmont rescues Madame de Chepy's social commitments by producing the promised play — which curiously resembles the preceding action.

"*Est-il bon? Est-il mechant?*" does not have the comic punch of a Sheridan play, but the Comédie Française mutes much of the humour it does contain by underplaying certain characters. Madame Bertrand, a self-obsessed pension-hunting widow ready to have vapours at the slightest contradiction, deserves to have fuller rein given to her hysteria.

But the central weakness of an otherwise good production is the character of Hardouin, played by Maurice Garrel, a relative newcomer to the Comédie Française. A man who takes on the problems of the world and chooses base cunning rather than saintliness to solve them needs a wider range of expression and more energy for the farce to take off as it should.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

February 17-23

Exhibitions

LONDON

Royal Academy: The Genius of Venice – we are treated to a show in the grand old manner of the Royal Academy's Winter Exhibitions. It treats us to exclusively the painting and, to a lesser extent, the sculpture, that Venice produced in the 16th century. If Bellini and Carpaccio are honoured more by their absence, since the panels now are just too fragile to travel (though the Lion of St Mark's is Carpaccio's), there is so much that has been brought in from all over the world that compensation is hardly the word. So, from the shadowy, speculative presence of Giorgione in the beginning, to the emotional extravagance of Tintoretto filling the lecture room at the end, and in between the great spaces of the Academy filled with Titian, Veronese, Bassano, Lotto, et al., we are indulged in a way unlikely ever to be repeated in our time, if at all. Ends March 11

PARIS

Francis Bacon: His work – even in his recent paintings – continues tormented and the anguish is heightened by the mixture of a realistic execution combined with an irrational representation of the strained and twisted human body. Galerie Maeght-Lelong (5631319). Closed Sun. Ends Feb 25.

Galerie de Jonckheere celebrates its extension from Brussels to Paris by showing four paintings by Peter Bruegel the Younger and 30 landscapes by his contemporaries, full of the colour, verve and earthy joie de vivre associated with Dutch and Flemish 15th and 16th century art. 21, Quai Voltaire. Closed Sun. Ends March 17 (2613879).

William Bouguereau – An exhibition which continues the present rehabilitation of academic art of the second half of the 19th century. Petit Palais. Closed Mon. Ends May 6 (2651273).

Camille Claudel: 70 sculptures accompanied by paintings, drawings and engravings prove the individuality of Rodin's pupil who, through her realism and, later on, a sense of the theatrical, found her own way. Musée Rodin. Closed Tue. Ends June 11 (7050134).

NEW YORK

Metropolitan: Rembrandt, Vermeer, Hals, van Ruisdael and Steel are among the 17th century masterpieces from the Royal Mauritshuis Picture Gallery in the Hague taking up temporary residence in commemoration of 200 years of Dutch-American diplomatic relations. Ends April 15.

International Center of Photography: David Bailey black and white photos of swinging Britain in the 1960s include the faces of that time such as Jean Shrimpton, Mick Jagger and David Hockney. Ends April 1.

WASHINGTON

Leonardo's Last Supper (National Gallery): Although the refectory of the Church of Santa Maria della Grazie has not been brought from Milan, this clever exhibit does the next best thing in combining preparatory studies drawn from the Queen's collection in Windsor Castle with photos and a film of the restoration and works done after the Last Supper, including a series by Rembrandt. Ends March 4.

National Gallery: Thanks to its popularity, the Aztec show of artifacts from the Spanish conquest to the 1978 excavation of Tenochtitlan – the largest show of its kind ever in America – will extend its run to spring. Ends April 1.

CHICAGO

Museum of Contemporary Art: With the assertion: "The arts in West Germany today are dynamic and strong, and constitute one of the most important sources for contemporary art trends in Europe and America," this recent Chicago institution is putting on three German shows, of artists Rebecca Horn, Dieter Roth and 100 works of five neo-Expressionists. Ends April 1.

WEST GERMANY

Tübingen, Kunsthalle: Edgar Degas. The most comprehensive Degas exhibition ever shown in the Federal Republic. More than 200 drawings, pastels and oil sketches document all periods of the French impressionist's œuvre. Ends March 25.

Hamburg, Kunstverein, Glockengiesserwall: Jonathan Borofsky – drawings from between 1960 and 1983 has roughly 200 sheets which underline the artist's mottoes "art is for the spirit" and "reality is not what you think it is." Ends Feb 26.

Hanover, Forum des Niedersächsischen Landesmuseums, 8-11 Am Markt: Paintings and clothes from the period between classicism and art deco. Ends Feb. 29

Bremen, Kunsthalle, 207 Am Wall: A roving exhibition dedicated to Ewald Mataré (1887 to 1965), the German sculptor and painter, highlights of which are 59 landscapes in watercolour presented to the public for the first time. Ends March 11

Cologne, Museum Ludwig, 1 Josef Haubrich Hof: Masterpieces of Russian Painting has 70 oil paintings from the end of the 19th and the beginning of the 20th century by Chagall, Kandinsky and Malevitch, for example. Ends March 25.

Berlin, Brücke Museum, 9 Bussardsteig: The museum has opened the first of a series of exhibitions in honour of the 100th anniversary of Karl Schmidt-Rottluff, the German expressionist painter. The show has more than 80 paintings. Ends March 25.

Nuremberg, Kunsthalle, 32 Lorenzer Strasse: a retrospective with 140 paintings, sculptures and works on paper by Joan Miro, the Spanish artist who died at Christmas. Ends March 18.

HOLLAND

Irish Culture from 3000 BC to 1500 AD in Amsterdam's Rijksmuseum until Feb 26. The Book of Kells, the most magnificent illuminated version of the gospels in Europe, is joined by a hoard of bronze, silver and gold treasures, all finely wrought and many of them encrusted with jewels – a reminder that long before its present troubles, Ireland had its golden age and was the last repository of Western art and learning to fall to the Vikings.

BRUSSELS

Société Générale de Banque: Sundials, astrolabes, watches, clocks and marine instruments. Ends April 7.

Musée d'Art et Histoire: Reconstruction of the chamber of the Bulls of the Lascaux Grottos, closed to the public through fear of damage and pollution affecting the drawings. Until April.

Palais des Beaux Arts: Paintings by Karel Appel and Roger Malleus. Until March 4.

ITALY

Venice: Museo Correr: Until a year ago, there was not a single painting by this Venetian master to be seen in the city (there were in fact two – but in private collections). The local council has now acquired two large and splendid paintings with interesting documentation concerning their restoration.

Guggenheim Foundation – Palazzo Guggenheim: usually closed in winter but opened especially for a small exhibition of 10 paintings by Jackson Pollock.

Florence, Pitti Palace: Raphael paintings and drawings. The exhibition has drawn such huge crowds that the opening hours have been extended – something almost unheard of in Italy. Now open from 9am until 7pm (closed Monday).

Milan: Palazzo Della Permanente: Oskar Kokoschka (1886-1924). Drawings and watercolours. Ends March 11

Rome: Palazzo Braschi – Piazza S. Pantaleo: Roma Capitale (1870-1911) A City Page by Page. Contemporary photographs and drawings of daily life in the city. Ends March 25.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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Thursday February 23 1984

Elections in Nicaragua

THE MOST vulnerable point in Nicaragua's international image has been its failure to hold elections of any sort following the overthrow of the Somoza dictatorship in 1979. Promises never implemented have provided the Reagan Administration with ready ammunition to brand the maxist-orientated Sandinista leadership as totalitarian, and even sympathisers of the regime at home and abroad have become impatient over the delay.

In announcing this week that elections will be held on November 4 to a new office of President and a National Assembly, the Sandinistas have finally taken the plunge.

The Sandinistas are not doing this to test their popularity in the ballot box. The regime has no doubts that it will emerge the victor. The voting age has been extended to the 16-year-olds to encompass its most fervent sector of support. The legal opposition parties are weak and divided; and no matter how fairly the electoral process is laid open to them, the administrative apparatus of the state, controlled by the Sandinistas for the past five years, is bound to favour the existing regime. Meanwhile those seeking to overthrow the Sandinistas from exile in Costa Rica and Honduras — the "contras" —appear to have singularly failed to mobilise popular support inside the country. If anything their military campaign of destabilisation, backed by the U.S., has hardened support for the Sandinistas.

Yardsticks

The elections are being held earlier than the Sandinistas would have liked and are clearly aimed at testing President Reagan. They will be only two days before the U.S. presidential elections, which the Sandinistas calculate President Reagan will win. They therefore want to present him with the fait accompli of a popularly elected left wing government in Central America.

The yardsticks for judging impoverished Nicaragua have often been harsh beside its right-wing pro-American neighbours. The Sandinistas have made mistakes. They rushed enthusiastically into supporting revolutionary movements in Central America, misjudging the U.S. reaction. The excuse of national security has been too readily employed in censoring the Press. Too little understanding has been shown in handling the culturally different Miskito Indians on the west coast; and the Catholic Church hierarchy has been treated clumsily.

But there have been genuine achievements, notably in extending nationwide education and health care. The importance of the private sector has been recognised, especially in agriculture. Under external pressure *the Sandinistas have begun* to liberalise political life, extending an amnesty to the contras.

Indeed, the Sandinista regime fits awkwardly into a revolutionary marxist stereotype. Its heterodox ideology is confusingly drawn from Catholicism, Marxism and pure nationalism in the figure of General Sandino, the national hero who led an insurrection against U.S. occupation in the twenties and early thirties. The collective leadership has held together largely by refusing to define the real nature of the state and what type of institutions it should possess.

Philosophy

This is the principal unspoken reason why elections have been delayed so long. Elections will now force the Sandinistas to define their philosophy and determine whether the Sandinista Liberation front is a mere movement or a proper political party. It will also break the collective mould.

The prospect of a Sandinista victory at the polls will not be relished in Washington; but it could provide the occasion for questioning the value of continuing American support for the destabilisation of Nicaragua. It will test whether the Americans wish to live with a left-wing government in Nicaragua or whether they still see it as part of a wider communist threat to undermine U.S. interests in Central America.

As things now stand, partly because of U.S. pressure, the Sandinistas' ability to export revolution is severely limited. America's biggest worry must concern neighbouring El Salvador, where no end is in prospect to the civil war and next month's elections seem unlikely to bring a political settlement any closer.

Our ambitious mutual friends

THE building societies have trimmed their ambitions a little since the so-called Spalding Report, the discussion document they isued a year ago. After a fairly sharp warning from the Governor of the Bank of England on the implications of moving into banking, they have pulled back from the idea of seeking power to acquire full-scale banking facilities; but they still want to turn their branches into something quite like full-scale retail banks, offering limited overdraft facilities, cheque guarantee cards, foreign currency and automatic payment facilities, which would involve a limited power to lend without security. They also want to expand their housing services pretty comprehensively, with conveyancing, structural surveys, a full insurance service and possibly estate agency, to widen their housing development finance and offer indexed mortgages.

Valuable services

This is quite a shopping list. The Government is mulling it over for a few weeks before publishing its own response in the Green paper, although it has consulted with the societies in drawing up their own ideas. In principle, it must be desirable to offer the societies' depositors the services which most of them want. As the National Consumer Council has pointed out, they are efficient and popular, and could offer valuable services to the unbanked half of the population as well as providing healthy competition for the clearing banks. A one-stop housing service seems even less controversial, now that Mr Leon Brittan has raised the Government's standard against the privileges of the professions.

All the same, the Green Paper should not just be an unqualified green light. Expansion on this scale involves economic and prudential issues, which may require delicate handling. The societies are, after all, rather strange entities, friendly societies in theory but benevolent oligarchies in practice, which have grown, like Topsy, by some logic of their own.

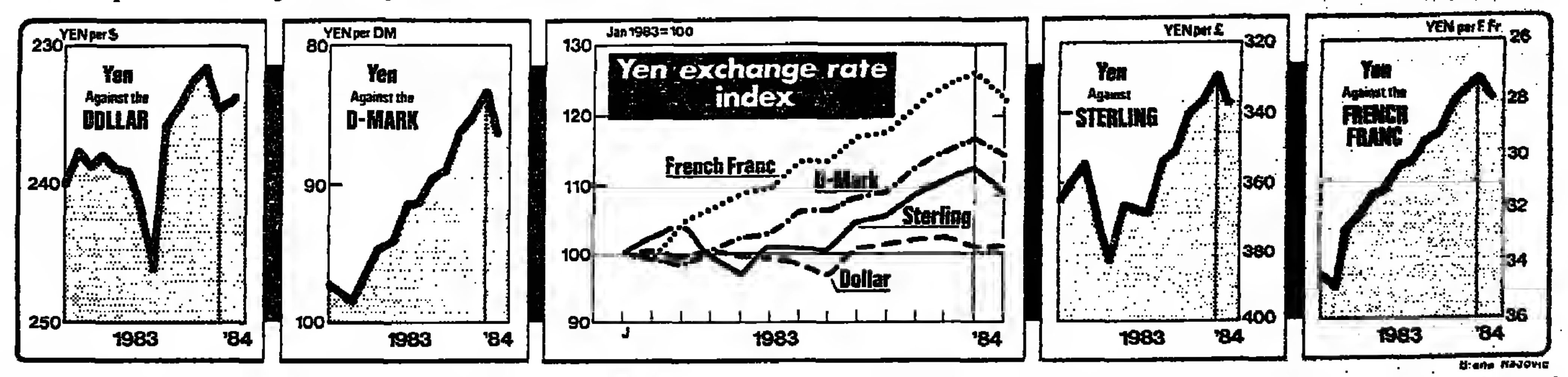
They would argue, with much justice, that they have grown because their services are needed, and because prudent management has financed their expansion. Their reserves, at 9 per cent of the total book (but gross of tax liabilities), appear quite well up to commercial standards. But the restrictions which chafe have also been a protection to them; risk assessment is not one of the skills they have had to learn. Even in the relatively low-risk area of consumer credit they must prove they can walk before they are *allowed to run. This* might be achieved by imposing suitable standards of capital adequacy on their non-housing activities.

Their desire to diversify in housing finance may seem a simple mainstream activity, but here economic doubts arise. Though the movement has always been reluctant to admit it, the main effect of throwing money at the housing market is to raise prices. Equity-sharing and indexation, which gear up the borrowing power of buyers, would have the same danger. Diversified services seem almost entirely desirable (though estate agencies could involve conflicts of interest); diversified financing schemes need to be treated with caution.

Competitive edge

Finally, two changes are needed to make competition between the societies and other intermediaries more level. First, to make it easier to refinance existing mortgages, and without penalty; at present the borrowers are semi-captive, and this seems to give society policies an undue bias in favour of depositors, as can be seen at present. *Secondly, the tax rules* must be made uniform, as the movement seems to recognise. This sturdy movement needs neither concessionary corporation tax nor the anomalous composite rate, which gives them a significant competitive edge in the market at the expense not of the taxpayer, but of their poorest depositors.

Talks open in Tokyo today which underline the pressures for a liberalisation of Japanese financial markets



The walls begin to crack

By Jurek Martin in Tokyo

JOSHUA, it will be recalled, brought down the walls of Jericho by summoning up a great noise. Today, Dr Beryl Sprinkel, not the quietest Under-Secretary of the U.S. Treasury in recent memory, will try and find out if the same technique can demolish at least some of the barriers that make the Japanese financial system rather different from those in comparable industrialised countries.

The cumbersome title of the agenda facing Dr Sprinkel and his elegant Japanese counterpart, Mr Tomomitsu Oba, Vice-Minister of Finance for international affairs, is the internationalisation of the yen and the liberalisation of the Japanese capital markets, for which, unfortunately, no convenient acronym has yet been found.

Although theoretically they are supposed to be discussing the eight items agreed on last November, when President Reagan came to Japan, they could perfectly easily talk about as many as two dozen and not exhaust their subject, and probably will.

The current round of foreign government pressure for Japanese financial reform probably originated with the British last summer, and was only belatedly picked up by the U.S. when it became apparent in advance of the Reagan visit that it was going to be politically impossible easily to resolve outstanding commercial agricultural disputes. The U.S. was also looking for ways to quieten or otherwise deflect the drumbeat of international criticism, which Japan was joining, over its economic policies, above all the size of the federal deficit.

Institutional pressure for change, once largely the prerogative of foreign banks who have been confined to about 3 per cent of the domestic banking market for years, has also broadened as Japan has become a more attractive investment target over the past five years, and as some of Japan's capital *controls* have been *dismantled.* The larger U.S. and other foreign financial institutions clearly see the opportunity to acquire a substantial share of a more open market.'

What Dr Sprinkel will find, unlike some of his predecessors who have laid siege to the Japanese financial system, is that the climate in Japan has changed.

Previous assaults have tended to be seen here as an attack on a uniquely Japanese way of doing things. This, very broadly, has meant a domestic market characterised by government regulated interest rates — and thus, in the eyes of outsiders, usually an artificially depressed and over-competitively priced yen. Strict demarcation lines have also governed who could raise what money, in what markets, and which financial institutions could take part in the process.

It was a system, designed to reward savers rather than borrowers, which had the overwhelming virtue of security, but it was not one which could be described as possessing anything other than a passing resemblance to an open market. Nor was it commensurate with Japan's present and economic financial clout, as the second largest industrial and creditor nation in the world.

Today, however, Japanese perceptions are different. The intellectual basis for the shift, as Mr Nobomitsu Kagami, the prominent economic analyst will argue at length in an FT survey to be published next week, is a basic realisation that Japan's "present large current account surplus is of an historical nature rather than a short-term phenomenon caused by exchange rate misalignments or internally protective trade practices."

His opinions are echoed, if more cautiously, throughout the Japanese Government. Mr Oba himself said, in a recent interview with the FT that the question of reform "is not the result of pressure by the U.S. Government, it is our problem." And again: "we are building the body (of a new system); once we have got that, we will build the arms and legs." Over at the Bank of Japan, Mr Takeshi Ohta, director of its foreign department, argues: "in fact, we are already more and more dependent on the market interest rate mechanism; it is just a question of evolution now."

In crude terms, however, it is undeniable that a trigger for the change in attitudes is a balance of payments surplus that has become, as Mr Haruo Maekawa, Governor of the Bank of Japan, frequently says "embarrassing."

The official estimates that it can remain in the $23bn range in the fiscal year beginning in April (about the same level as the current year) are widely derided by private and foreign analysts. They project a current account surplus of $30bn to $35bn. The Government's, admittedly thin, best hope of containing the surplus seems to rest on the assumption that growth in domestic demand will spill over into imports.

It is also true that the Japanese authorities appear to have overcome some of their fixation with the value of the yen. As recently as two years ago, Japan was regularly accused of manipulating its currency in order to help promote exports. Such accusations are no longer heard if for no other reason than the emergence of accepted wisdom that the root cause of the present exchange rate problems—the overvalued dollar — lies in Washington, not Tokyo.

In any case, the yen has remained very stable against the dollar for over a year, in spite of last October's long overdue cut in the Japanese discount rate. A more accurate sense of the yen's worth, and of the strength of Japanese economic fundamentals, lies in its appreciation against the major European currencies over the same time span (a development which already has some Japanese exporters grousing).

This has resulted in a greater Japanese willingness at least to countenance the concept of a wider use for the yen, both in financing Japan's own trade and, albeit tentatively, as a minor reserve currency. The scope for a wider use of the yen is, in reality, not quite as great as crude figures suggest. The fact that 97 per cent of Japanese imports and 60 per cent of its exports are denominated in dollars, appears to leave a lot of room, but 70 per cent of imports are accounted for by primary commodities, including oil, for which the dollar is likely to remain the instrument of trade.

More important, however, is the acceptance that the yen seems bound for a belated rise against the dollar and that diversification of its use might help ensure that its appreciation is reasonably steady. (Creation of a yen banker's acceptance market in which trade finance bills would be denominated in yen rather than dollar or other currencies, for example, might even depress its value, at least initially.)

But the Japanese will also argue, quite correctly, that the structural changes in favour of a more open financial regime have been under way for some years.

In the last decade, Japan has settled down to more moderate rates of expansion (3 to 5 per cent per annum versus 10 per cent before the first oil crisis). This has meant that the Government, not the private sector, has become the dominant factor in the domestic financial markets as its financial needs for domestic programmes have risen.

In the early 1960s, corporations raised over three-quarters of credit in Japan, the Government barely 10 per cent, individuals the balance. Today the Government commands about half the total and corporations barely one-third. Indeed the biggest technical task confronting the Government at present is how to refinance Y122 trillion (about $530bn) of debt—almost all in 10-year bonds—which begins maturing in March next year. This is manageable, given the still high level of domestic savings, but nonetheless a clear constraint on the domestic markets as currently constituted.

This, of course, has meant that corporations and individuals have become more interest-rate sensitive and less satisfied with a controlled interest rate regime and limited available investment opportunities inside Japan, and have looked overseas, though sometimes only to be blocked by government regulations. (Euroyen lending by residents, for example. That is the issuing by Japanese corporations of unsecured notes and bonds denominated in yen in foreign markets—the yen equivalent of a Eurodollar.)

The same sense has obviously afflicted foreigners who, since 1980, have acquired more than $80bn in Japanese portfolios but who similarly complain about the relative lack of investment instruments.

Recognising this, Mr Toyoo Gyohten, deputy director of the Ministry of Finance's banking bureau, agrees that the original Japanese approach, that of channelling the funds of small savers to finance industrial growth, "has to be modified now." But, he carefully adds that if would not be wise if change results in the wholesale demolition of precisely those standards and safeguards that have made the Japanese financial system secure for the Japanese themselves in the post-war years."

And this, in a nutshell, is what the Sprinkel-Oba meeting, and many others besides, is all about. The Japanese financial road map is well marked by double yellow lines; bankers, who take deposits are not supposed to compete with securities houses, who deal in them, because their respective *raison d'etres* are different; trust banks and life insurance companies may handle pension fund trusts, commercial banks and securities houses may not; agricultural banks and long-term credit banks have their own market niches; the post office savings system (worth Y80 trillion, a third of all Japanese personal savings) *stands alone,* inviolable.

Even though it is undeniable that some of the more effective Japanese institutions, especially the big "city" banks and the securities houses, have been chafing at the bit, the conservative forces behind other segments remain politically powerful.

Japan assumes that the focus of today's talks will be more on the capital markets than the yen per se (though the areas are not easily divisible) mainly because the yen is less of a problem now. But Dr Sprinkel will want to remember that though it took Joshua seven days to bring down Jericho, he is unlikely to be as expeditious.

SOME OF THE MAJOR ISSUES INVOLVED

DECISIONS ABOUT liberalisation rest with the Government, principally the Ministry of *Finance (MOF)* and, to a lesser degree, the Bank of Japan (BOJ).

Very broadly, the central bank is more in favour of giving priority to gradual deregulation of interest rates than MOF, which is nervous about what open market rates could do to *its* refinancing burden. But the BOJ has qualms that specific institutional reforms, to which MOF may be more amenable, could play havoc with its monetary policy controls. Sometimes they agree on a subject, but for different reasons.

● **Interest rate deregulation.** At present only the inter-bank money market, mostly the secondary bond market and certificates of deposit are free of control. Bank of Japan *(BoJ)* has proposed eliminating the distinction between three- and six-month deposit rates, the biggest differential in the system. Ministry of Finance (MoF) still unenthusiastic. Both BOJ and MOF claim Japan is on the road to freedom but disagree on pace.

● Creation of a fully fledged Treasury Bill market, like the one on Wall Street. BOJ in favour. MOF concerned over potential costs to its refinancing.

● Establishment of offshore and financial futures markets. Both BOJ and MOF opposed. Even Mr Takashi Hosomi, chief advocate of Tokyo as a London-style offshore financial centre, concedes his brainchild is "dead, overtaken by events."

● Setting up yen-denominated bankers acceptance market, high on list of foreign demands. MOF unconvinced of usefulness, BOJ worried about implications for monetary policy.

● Foreign, and potentially domestic, bank entry into Japanese securities market. The Vickers da Costa ruling, whereby MOF allowed Vickers to retain its Tokyo dealing licence in spite of Citicorp takeover, represents a crack in the door, but MOF will go to great lengths to avoid setting precedents in future cases; slow progress likely.

● Invasion of $50bn Japanese pension fund business by foreign banks and Japanese securities houses. Trail blazed by Nomura-Morgan Guaranty, now followed by other Japan-U.S. combinations, with Japanese banks ready to follow. Attacks a fundamental demarcation line, but MOF may be willing to concede this one, though not overnight.

● Euroyen borrowing by residents will be permitted from April 1, but probably still subject to withholding tax, which would greatly reduce attraction for all but a few convertible bond issues by some of the more spectacular electronics companies. BOJ doubts market would exceed $30-35bn, insignificant in comparison with $1,000bn Eurodollar market. Further easing of rules on Eurobond offerings by non-residents also promised for April 1.

Men and Matters

On track in West Yorks

I never understood why trolley buses disappeared from the streets of British towns and cities. The last ones ran some 12 years ago in Bradford.

They were quiet and clean—running on rubber tyres with near-silent electric motors—and they might be said to combine the virtues of trams and buses without any of the disadvantages of those two forms of vehicle.

Now the West Yorkshire Metropolitan County Council is talking to manufacturers about *producing* a *new double-deck* trolley bus. To provide historical continuity, the 70 vehicles it wants to buy would run on the original Leeds and Bradford routes where trolley buses were first introduced in 1911.

They would even use overhead cable strung from some of the original trolley poles which are still standing.

An inherent weakness of the original trolley bus was that it relied absolutely upon the power from its overhead electric cable, and was easily baulked by a blockage anywhere along its route. The new design being contemplated will be much more flexible. The driver will be able to lower the boom from the overhead cable and chug away using an emergency diesel engine.

West Yorkshire intends to seek Government, and EEC, support for its proposed fleet, which would cost up to £7m.

The feeling at the council's Wakefield HQ is that they will get their trolley bus system, and that before long this fascinating form of public transport will be operating over a historic route to Roundhay Park first served by trams just over a century ago.

"Our daughter married a Frenchman—they're living in a traffic-jam near Mont Blanc for the time being"

Into dock

Christopher Benson admits to having been just a bit envious when Nigel Broackes got the top job at the London Docklands Development Corporation. So now that he is to take over, Benson approaches the challenge with more than usual enthusiasm.

The affable *managing* director of MEPC—one of the UK's biggest and most successful property groups—has always kept a close eye on developments in the docks.

He recalls fairly regular trips to the area a few years back and confesses there were times *when he thought nothing* would ever get done. But Broackes and the corporation changed all that, and when the knock came on Benson's door three weeks ago, he readily accepted "a terrific opportunity."

Broackes' commitment to the task was tireless. And Benson, hardly a man with time on his hands, recognises he has a hard act to follow. But with a family home in Salisbury, he tends to spend the week in London and, from now on, any free evenings will find him east of Tower Bridge.

There is perhaps only one disadvantage to what he *sees* as his aim of creating a complete community. Benson will now have to exclude dockland from his own company's development programme to avoid any conflict of interest.

The good news for Broackes is that Trafalgar House can now step in for the first time in five years.

Frozen assets

Though ice dancers Jayne Torvill and Christopher Dean seem to have stimulated another surge of interest in the sport, Britain's relative lack of ice-rinks reflects a continuing reluctance among investors to put their money on ice.

Dennis Adams, who runs a leisure company in Cambridgeshire, met such resistance among his pension fund backers when he wanted to build an ice-rink in Peterborough two years ago. A factory built for rent would be a sounder investment, they suggested.

Adams came up with the mutually satisfactory solution of building a factory and then converting it into the rink which Torvill and Dean used last year to perfect their routines, and which this year will be the setting for the world short track speed skating championships.

If skating should ever pall with the paying public, Adams can always shut down his refrigeration plant, pull out the plug, and let the building as a factory.

That prospect looks a bit unlikely at the moment. Adams has since built a large tennis and badminton centre, a gymnasium and a snooker club on the site.

With Peterborough Development Corporation's creation of two new golf courses, a sailing and windsurfing lake, a rowing course, and four sports centres, the city *reckons its leisure* facilities are now second to none.

Economic tunes

Easily the biggest penetration of the Japanese market this week is being made by country singer Willie Nelson.

Reflecting on the success of Nelson's tour, a Tokyo tunesmith suggests it may be due in part to the way in which his thoughts on his life and music *harmonise so well* with Japanese economic thinking.

Several of Nelson's comments at a press conference could equally well have been applied to Japan's economic policy.

Thus—on overall Japanese trade conduct?—"First, I'm gonna take all the money I have and pay what I owe; then I'm gonna keep right on doin' what I have been doing."

Or on Japan's tariff barriers? "I had my walls and I refused to let anybody get behind them. But if you wait and let the negative thoughts pass, the positive ones are right behind."

Or on Japan's remarkable improvements in quality control? "I suspect my guitar (with the hole in it) will wear out about the same time I do."

On his attitude to the press, however, Nelson echoed a much more widely-held sentiment: "Anything you say is fine, just spell the name correctly."

Lost clause

Insurance ombudsman, James Haswell, says in his annual report that he continues to receive cases where damage is claimed to be due to animal impact.

One "not entirely serious" variation on this theme recently was a case in which the policyholder had slipped while working in his loft and fallen through the ceiling. He suggested that as man ranks among the animals, the claim should be met.

Haswell was spaced any anthropological argument, however. The policyholder had overlooked a clause excluding damage by animals under his control.

Observer

ECONOMIC VIEWPOINT

The 'be more competitive' fallacy

By Samuel Brittan

"THE NEED to improve competitiveness" is the economic war-cry of the hour. The enormous U.S. current account deficit and the very high dollar suggest that it might be a legitimate cry for U.S. industry. But its appeal is almost worldwide. Hardly a Question Time passes without the Prime Minister or some other British minister stressing the need to improve competitiveness if unemployment is to fall.

But the continental European countries too are far from happy about their own competitive positions. On the contrary, report after report berates the lack of vigour of European industry compared to both the U.S. and Japan.

There could hardly be a more unfortunate slogan or piece of shorthand in which to sum up the aims of economic policy. The goal of improved competitiveness, if sought by all countries, is like a zero sum game. That is a game where one player's gains are offset by another's losses and all the players together gain nothing at all. (It is thus like most card or ball games).

By contrast, other goals, such as reduced inflation, faster growth, more jobs, or improved productivity are "positive sum." In other words, all the major countries can improve their performance together and the gains will not cancel out on the world scene.

International organisations like the OECD, when formulating common goals for their members, never mention competitiveness. "Against whom should we be more competitive?" remarked one extremely senior OECD official at a recent gathering; "against the developing countries, who are struggling to improve their trade balances, or against the moon?"

The emphasis at the OECD is not on competitiveness, but on "greater flexibility, including labour market flexibility and investment, especially job-creating investment."

Lack of international competitiveness is a problem which can affect particular countries, but it cannot explain a problem common to most countries, such as the stagflation that has hit the world since the first oil price explosion of 1973.

Sometimes when governments or business leaders complain of lack of competitiveness they are referring not to the whole economy, but to a particular sector where they resent that the lead is passing to foreigners. For instance, many Europeans resent the supremacy of the U.S. in the aircraft industry or the Japanese in consumer electronics. But if there is to be international trade there has to be some specialisation, and there is no point in calling foul if the lead in a particular product group passes from one area to another.

The most obvious sign of genuine lack of competitiveness is a country's difficulty in balancing its external accounts. The table shows that the deficit country *par excellence* is the U.S. which is expected by the OECD to run a current account deficit of over $80bn this year and $100bn in 1985.

The same table also suggests a note of caution. For, instead of summing to zero, the combined current account deficits of the world amount, after all the OECD's best efforts at standardisation, to over $110bn. Indeed, all the three main areas of the non-Communist world—OECD, Opec and the developing countries—appear to be running substantial deficits.

The OECD attributes nearly all of this discrepancy to the invisibles sector. Part represents Opec expenditure not reflected in OECD receipts; and part also the rising share of investment income being channelled through tax havens.

Whatever the exact reasons, it would be a tragedy if the forces of protection and restrictionism were to be given even more impetus by mere statistical imperfections. If I were the head of the OECD, I would give an order that the statistical discrepancy must be roughly allocated among countries, whatever the cost to the consciences of the statisticians.

Nevertheless, no amount of statistical manipulation will eliminate the U.S. deficit. If a fifth of the discrepancy is allocated to the U.S., its 1984 current account deficit still remains at $60bn. Moreover, the increase in that deficit from zero in 1980 can hardly all be statistical illusion.

Even a large current account deficit is not itself a sign of inadequate competitiveness. It is normal for a developing country to borrow, in other words to finance a current deficit from a capital inflow.

Mr Emile van Lennep, OECD secretary-general

CURRENT ACCOUNT BALANCES: 1984
($ billions)

U.S.	−82
Japan	32
West Germany	6
UK	3
France	1
Italy	1
Canada	1
Total OECD	−42
OPEC	−32
Developing countries	−40
Other	2
Statistical discrepancy	−112

Source: OECD forecasts.

International organisations, like the OECD, when formulating common goals . . . never mention competitiveness

The U.S. has been borrowing so much from overseas that it is likely to become a net debtor within the next 18 months, and some arch-Reaganites might argue that this is a sign of overseas investors' confidence in the future of America. The trouble with this convenient alibi is that the U.S. payments deficit is the counterpart not of productive investment, but of a budget deficit which exceeds the supply of domestic savings and is therefore partly financed overseas.

The probability is that the present pattern is not sustainable and that with or without a reduction in the U.S. budget deficit, overseas investors will become increasingly reluctant to lend to the U.S. As this reluctance became more apparent the dollar will fall and American competitiveness will improve.

There is another approach to competitiveness, which is to look at a country's unit costs, adjusted for the exchange rate, and study their movements over time. On this basis the biggest discrepancies are between the dollar and the D-mark and the pound and the D-mark, with the dollar-yen coming a close third. The dollar would have to be worth less than DM 2 compared with an actual market exchange rate of nearly DM 2.7 to maintain the 1977 level of U.S. competitiveness. The pound would have to stand at about DM 2.7 instead of a market rate of about DM 3.9.

It is possible to go a little further and say that the disequilibrium, *if there is any*, lies on the side of the dollar and sterling rather than the mark. This is because German competitiveness has improved only slightly against the international average, whereas U.S. and British competitiveness have fallen quite sharply against the average.

But taking 1977 as a starting point begs many questions. In *Economic Viewpoint* of January 12 I showed that the deterioration in British competitiveness is very much less if 1963 is taken as a starting point rather than the customary 1977 and there is no *a priori* reason for choosing one base year rather than another. In the case of the U.S., the evidence of the current deficit suggests that the lack of competitiveness is genuine enough. But in Britain the persistence of a current account balance or slight surplus makes the question more complex.

In what sense then can the British economy be regarded as uncompetitive or the real exchange rate for sterling as too high?

Most industrialists and commentators who complain about lack of competitiveness do not, actually, advocate a large current account surplus. They want more competitiveness as a way of boosting exports in order to stimulate demand, output and jobs. With a higher real GDP, imports will also be higher; but the object would not be to improve the overseas accounts, but to balance them at a higher level of activity. Some theory of this kind—made explicit by the Cambridge Economic Policy Group — is required to make sense of complaints about competitiveness for a country without a balance of payments problem.

Attempts to boost demand via improved competitiveness represent, however, a very dangerous road, both practically and theoretically. The UK is not the only country which has high unemployment and a level of output and activity, which despite economic recovery, is below the long-term trend established a few years ago. If every country which desired higher activity and employment tried to make its products more competitive by devaluation, cheap export credit or even lower costs, the results would cancel out internationally, as the world as a whole cannot improve its competitiveness.

Behind the desire to improve international competitiveness is a mistake of economic analysis. If it is inflationary to expand demand by domestic stimulation —higher public expenditure, lower taxes and so on—it is also inflationary to expand it by boosting exports. Pound or franc notes do not circulate through the economy bearing labels "I am a virtuous export-based note" or "I am the sinful domestic variety." If unions are taking advantage of a better labour market to edge up earnings, it will make no difference whether the source of that demand is internal or external—in the case of intermediate products or components or ancillary services like transport, they will not even know.

It may be argued that purely domestic demand expansion may have a larger, or at least earlier, inflationary impact because it is likely to reduce the exchange rate. But that argument again suffers from the fallacy of taking an individual country in isolation. If all or most OECD countries expand domestic demand together there will be much less effect on exchange rates and what effects there are will cancel out.

The mistake of economic analysis is not just an accident or a misunderstanding. The correct argument for low wage settlements—and settlements which vary more between industry, company and area—is that they will price workers into jobs. The improvement in competitiveness required to promote employment is the competitiveness of labour, so that it would pay employers to use labour rather than capital at the margin and so that it would not pay them to leave idle potential workers willing to work at market clearing wages.

But, because the connection between pay and job is abstract, controversial and unpopular, politicians instinctively give it a false and nationalistic tinge by emphasising competitiveness against foreigners. It is both more comprehensible and more politically attractive to tell workers that if they do not moderate wage demands and improve productivity "jobs will go abroad" than to tell them that there will be less jobs in total.

Nevertheless, the less populist and more general variant points to the only way in which jobs can be increased in one country without reducing them in another. If corroboration is required it can be found in the rapid increase in U.S. jobs, thanks to a flexible labour market at a time when U.S. international competitiveness has fallen heavily.

Except for the occasional country with an underlying balance of payments problem, the international competitiveness route to more jobs is ultimately a fraud. It seems plausible only because of the division of the world by frontiers and national boundaries. Its promise depends on the self-deluding belief that one's own country is going to outwit others indefinitely; and its end-result is to sow political bitterness between countries where none need exist. It should have no part in the message of Governments that claim to talk about "the new realism."

Lombard

Radical ideas on local government

By Robin Pauley

ONE OF the feeblest defences of any legislation is that everything else has been tried, tested or found wanting, leaving no alternative.

This not only overlooks the considerable advantages of sometimes doing nothing, maintaining the status quo. It is also rarely correct to assume that the supply of ideas on any subject has been exhausted.

So it is with the contentious Rates Bill which has been attacked because it will centralise control of rate levels, over-riding local electorates without solving any of the pressing difficulties of local government finance and structure. It has been defended, on the other hand, not only as a necessary measure but also on the grounds that every alternative has been looked at and rejected.

There is an understandable political difficulty about having second thoughts on previous governments' inquiries. Hence the reluctance of this government to reconsider the Layfield report on local government finance (which advocated a local income tax) or the Redcliffe Maud report (which advocated unitary authorities).

But there are other ideas for trying to tackle the local government controversy and improve the tenuous system of checks and balances which should provide democratic accountability while preserving our system of devolved government, as two recent books demonstrate from quite different starting points.

Mr Alex Henney is a terrier against the entire public sector on behalf of the consumer. He has been a ratepayers' campaigner, and is currently a consumer guardian through his role as chairman of the London Electricity Consultative Council.

He argues for the radical reform of local government which is "inefficient, not sufficiently responsive, neither particularly democratic nor accountable and not very local."

The crux of the problem is that local government is doing too much for its rate base, he says. "The solution to errant local government should not be more Whitehall, but more local democracy."

He wants to make local government more manageable and accountable downwards to the people—the ratepayers—by turning the management of housing over to the tenants and of schooling over to parents. He would streamline planning and transfer police and fire services to boards. The residual services should become more efficient and consumer responsive with better accounting, a fiduciary duty on councillors and power for the Ombudsman to make his findings binding.

Taking "quasi national services," such as education, out of the arena of local finance and funding them centrally would leave local government with a burden bearable by rates. "Central government could wash its hands of it and local government could revert to being truly local." To make it more democratic he proposes elections of a third of the council every year with a single transferable vote system of proportional representation.

There is much here that is controversial and much more that is sure to be politically unpalatable; nevertheless there is food for thought as there is in another book by Professors George Jones and John Stewart, doughty but not uncritical defenders of local government. They also propose radical change, arguing that patchwork solutions and central meddling serve only to make matters worse.

They propose about 150 to 200 unitary authorities in England with enhanced functions including health and probation, the introduction of a local income tax to supplement domestic rates, and a very small level of central grant. Non-domestic rates would become a national tax levied and collected centrally. They also argue for proportional representation and a Charter of Rights for local government; but none of this without a thorough review of finance and structure from first principles.

The Government's Rates Bill has had a rough ride so far. Whether it is enacted or not the long-term future of local government will eventually have to be considered. These two books constitute at least a preliminary agenda.

Inside Local Government; Alex Henney; Sinclair Browne; £12.95. The Case for Local Government; George Jones and John Stewart; George Allen and Unwin; £4.95.

Letters to the Editor

Software piracy

From Dr M. Woods

Sir,—I note with interest Mr Dilloway's comments (February 20) on software privacy and agree with the balanced views he proposes. I feel, like him, that piracy may well endanger the entire industry, but disagree with his overall thoughts that the problem is the indiscriminate copying of programs — by end-users and dealers. I think that a more serious issue arises within the industry itself.

The industry fosters copying on a commercial scale. In the games field dozens of firms offer "variations" on an original theme. This repackaging of successful programs moves into the business area where the clones from the originals have become jokes. Cloning is also common in accountancy packages and I have even been offered a program where the originator's (presumably) name had not been sufficiently erased. A story within the industry is of an infuriated program designer having his copyright blatantly stolen and demonstrating in public to the guilty company that his name still resided in the coding of a product it was marketing.

I would see the Federation Against Software Theft (FAST) needing first to put its own house in order and enforcing standards of both honesty and professional back-up with its members. The source code of all new products would be held by the Federation before exploitation. These would be used to settle disputes and to help customers should the source programmer no longer be available. The use of the "Registered FAST Company" would thus be a protection to both the programmer and the end-user.

(Dr) Mike Woods.
Post Experience Programmes,
University of Bradford,
Management Centre,
Heaton Mount,
Keighley Road, Bradford.

Prompt payment and VAT

From Mr G. Dauris

Sir,—Mr John Lloyd's suggestion (Back Page, February 20) that buyers of UK goods pay their VAT immediately, while importers have an "11 week grace period," does not describe the normal business world.

The average time taken to settle invoices from UK suppliers is about 60 days. This creates a grace period, if that is the term, of about 9 weeks for payment of VAT. Faster settlement is usually due to the incentive of a prompt cash discount (which reduces VAT as well).

Overseas suppliers, on the other hand, are less likely to offer payment discounts, while normally they demand prompt cash, even cash against documents. For cash flow, with the advantage for settling VAT being a mere two weeks, the balance is generally in favour of using UK suppliers. The reasons for buying abroad have to be sought elsewhere.

If the Chancellor is persuaded to abolish the postponed accounting system the beneficiaries will not be UK manufacturers. They will be the owners of warehouses at ports of entry who charge dearly for warehousing goods and will gain while Customs and Excise holds up delivery while awaiting settlement of the tax.

Colin Dauris,
James Dauris and Co
3-7 Drysdale Street, N1.

Agricultural price support

From Mr P. Oppenheim, MP

Sir,—Your leader, "Still no sense about farming" (February 16), adds to the voluminous output of the currently fashionable anti-farming lobby. Calling the CAP an "enraging, mindless Frankenstein monster," talking of its "idiocies," and saying that it has resulted in prices that are "15 per cent higher than they need be," may make for good, strong copy, but it hardly adds constructively to the debate.

The alternative to agricultural price support, a return to world prices, would probably result in a drop in agricultural output of at least 30 per cent — leaving Europe heavily deficient in most products except milk. Indeed, the EEC, which is only 15 per cent in surplus in grain, about self-sufficient in beef, and actually deficient by about 30 per cent in sheep meat, would become dependent on U.S. production — a situation which itself would almost certainly lead to steep world price rises, thus cancelling out any theoretical advantages of "shopping at world prices."

As a by-product of such a policy, most small farmers would go out of business, especially those who have invested heavily on the basis of certain reasonable price expectations. Ironically, the large grain farmers would probably do well, lowering output but also cutting unit costs and therefore producing less grain more profitably. Although it is likely that some land would return to pasture from the plough, much that remains arable would become more "extensive," thus accentuating the much exaggerated "prairification" of which so many armchair ruralists talk.

On the other hand, we must recognise that as the CAP is the only highly developed EEC policy, the countries with the largest relative agricultural sectors benefit most — the French, Dutch and the Danes. Britain and Germany, therefore, subsidise these countries — indeed, the British farmer actually gets no more Government money now, in real terms, than he did before 1972, despite steep rises in production. Surely it is these countries, which have produced and marketed their way into heavy surpluses, that must be made to cut back? There can be no logic in asking the British dairy sector, which is just about self-sufficient, to cut back by 6 per cent as has been suggested, just so that we can import more milk from the EEC. Any hardship that such a policy would cause to the heavy surplus producers should be borne by their national governments, and not the British taxpayer.

Wherever possible, the benefit of spending on agriculture should be allowed to return to the consumer as it does with the deficiency payments of sheepmeat. One way of doing this would be to extend and expand the current policy of selling intervention grain to the livestock sector—and particularly to the hard-pressed pig farmers. Despite what you say in your leader, this would assist consumer as well as farmers by lowering feed costs.

Phillip Oppenheim,
House of Commons, SW1.

Freedom of choice in pensions

From Mr R. Jenkins

Sir,—There is little the employee can do to improve his/her pension arrangements. Those paying into a company scheme are prevented from participating in the various private schemes available to the self employed and while additional voluntary contributions can sometimes be made they are subjected to similar treatment as mainstream payments if the employee changes job. The only viable alternative is a long term life insurance linked endowment policy. This however, is less tax efficient than pensions saving and more importantly, if the employee subsequently is unemployed for a long period it is counted as personal wealth when assessing eligibility for social security payments.

The only democratic and just position is to give the employee freedom of choice to determine his/her own pension arrangements ensuring that certain minimum provisions are made, in other words to provide the alternative of portable pension plans. It is accepted that there would be severe administration and organisational problems to overcome in implementing such a change but it could be restricted initially to those commencing new employment.

Whatever the final outcome of the current Government inquiry chaired by Norman Fowler there are two changes which I would like to see implemented. The first would lessen the degree of discrimination levelled at the job changing employee by enforcing annual revisions of the final salary formula in line with changes in the retail price index. The second would allow the employee freedom of choice to supplement his/her pension by allowing voluntary contributions to be applied to private pensions schemes.

Robert Jenkins
Bridge End Cottage,
Hunsdon Pond,
Nr Stanstead Abbots,
Herts.

Attitudes to languages

From the Head of Department, Management and Business Studies, Mid-Cheshire College of Further Education

Sir,—Mr R. Dore's comment (Letters, February 7) relating to Japanese well illustrates the problem in the United Kingdom of our attitude to modern languages—after all "they all speak English don't they?"

For a manufacturing and trading nation such as the UK a cadre of engineers, salesmen, accountants, etc, who are linguistically competent in at least one major world language is surely part of a national marketing strategy, which patently does not exist at present in this country.

Modern languages in the school curriculum, particularly post "O" level, are becoming a minority area and within that area French is increasing its already predominant position. While at the higher education level much good work is being undertaken at polytechnics, institutes of higher education and a small number of universities, I note that in the latter institutions language degrees still seem to smack largely of producing the educated gentleman rather than those with a full range of linguistic skills and essential economic and political background necessary for the commercial world.

Given that the Department of Education and Science has taken a high profile on the question of computers in the school system, it might be useful if that body could now turn its attention to the urgent need for a national policy on modern languages throughout our educational system which is relevant to the commercial needs of the nation.

J. O. Lewis.
Hartford Campus,
Northwich, Cheshire.

FINANCIAL TIMES

Thursday February 23 1984

HEAVY OFFENSIVE PUSHES GULF WAR TO CRUCIAL STAGE

Baghdad warns of decisive battle

BY OUR MIDDLE EAST STAFF

HEAVY fighting raged throughout yesterday in the southern central sector of the Gulf war as Iran launched its second offensive against Iraq within a week.

President Saddam Hussein of Iraq appeared repeatedly on television and radio during the morning to exhort his troops to greater efforts and to warn that the country was facing a decisive battle.

U.S. diplomats in Washington said initial assessments indicated that the Iranian offensive was "substantially larger" than the one a week ago and many tens of thousands of troops were in the battle area.

"Clearly a major battle is developing. It certainly may not be the last, but it looks like being one of the biggest," said an official.

President Hussein said on Baghdad radio that if "the criminals want a decisive battle, so let it be." He pledged that his forces would defeat the "evil, aggressive and expansionist ambitions of the enemy." Earlier, a military spokesman had claimed that the Iranian offensive had been crushed.

The main Iranian thrust appears to be directed at the Iraqi town of Ali al-Gharbi on the main road from Baghdad to the southern port of Basra. Iranian military communiques claimed last night that its troops were only 11 miles from the the road and had seized the dominant heights overlooking Ali al-Gharbi.

Iraqi troops were said by Tehran radio to be suffering heavy casualties and many of them were fleeing from the onslaught. "The entire front is shrouded in smoke from the burning of Iraqi tanks," claimed one radio report.

If the Iranians succeed in advancing to the main road they could pose a serious threat to the Iraqi air and military base at Amara to the south, and perhaps open the way to a further stage of the offensive. A large Iranian troop concentration is believed to be poised directly east of Amara.

The extent to which the Iranian thrust has progressed may be gauged during the next 48 hours by the response from Baghdad. President Hussein has warned for several months that Iraq has the capacity to hit any target within Iran. He may prefer to demonstrate this capacity with air and missile attacks on several Iranian cities, and continue to hold in reserve his threat to block its oil export routes.

The Ministry of Defence in London said yesterday that two warships were on standby to protect any British oil tankers in the Gulf. The U.S. Seventh Fleet has for some time been within easy reach of the Strait of Hormuz, at the mouth of the Gulf.

The oil market showed no reaction to the intensification of Iran's offensive as spot prices for key Gulf crudes reported by traders remained unchanged. Tanker tonnage was being offered for Kharg Island, the main Iranian terminal without an increase in charter rates, and war risk insurance premiums were also unaffected.

● The Gulf war is likely to have been one of the main topics in talks in London last night between Mrs Margaret Thatcher, the British Prime Minister, and Crown Prince Abdullah bin Abdel-Aziz of Saudi Arabia. The Crown Prince flew in yesterday from Damascus, where he had been attempting to mediate in the Lebanon crisis.

Today the Crown Prince will be looking at British military equipment. During a visit to Saudi Arabia in January, Mr Michael Heseltine, the Defence Secretary, urged the Crown Prince to see at first hand what Britain had to offer.

Court bid to end EEC steel controls

By Paul Cheeseright in Brussels

INDEPENDENT steel producers in the EEC have asked the European Court of Justice to ban controls on the steel trade agreed last December by the Council of Ministers and the European Commission.

Their action strikes at the heart of the system designed to provide a sheltered environment for the industry to restructure.

The producers have asked for an interim court order to suspend the controls while the full case is heard, and there may be a hearing this month. But, in the past, the court has been sparing in granting interim orders.

The action has been taken by the European Independent Steelworkers Association, which represents about 70 small producers, the majority of which are in the Brescia region of Italy.

The Commission and the Council are charged with exceeding their powers and with acting against the principles of the Common Market, set out in Articles 2 and 3 of the Treaty of Rome which established the EEC.

The Common Market has been jeopardised, the association contends, through the decisions:

● To impose on companies a system of deposits for each tonne shipped – the company loses the deposit if it breaches quantity and price controls for steel crossing national borders.

● To institute for each shipment of steel crossing a national border an accompanying certificate which can be used to check trade flows so that steel movements do not go above the level established in July 1981-June 1982.

Proliferation of controls over the steel industry has made small producers increasingly restive. They accepted, as an emergency, production quotas and minimum prices, but told the Commission last year that they would take legal action against any attempt to control trade.

Trade controls impede the operations of small companies, which do not usually have captive markets, more than those of the large producers. The large companies, however, often have outlets integrated with their own production, like heavy engineering plants or stock-holding companies.

The association's action comes when the full system of new controls agreed last December is still coming into operation. Industry executives say that some companies have still not made arrangements with the Commission for the lodging of deposits.

If the court refuses the application for an interim order, the association will have to wait several months for a judgment on the full case. All controls to protect the industry are due to be lifted at the end of next year.

Steel workers confront Madrid Government, Page 2

U.S. union attack on bankruptcy ruling

By Terry Dodsworth in New York

U.S. UNION leaders reacted angrily yesterday to a new ruling from the Supreme Court which will allow companies to use the bankruptcy proceedings to abandon labour contracts and reduce wages without prior consultation.

"This is a severe disappointment for us," said a spokesman for the AFL-CIO, the umbrella organisation for the U.S. trade union movement. "We contend that people should rank ahead of bricks and mortar."

The issue has been hotly debated over the past few months since Continental Airlines, the loss-making Dallas-based carrier, filed for bankruptcy then cut its wages by around 50 per cent.

Eastern Airlines, which has already run up heavy deficits since 1979, then threatened to do the same before negotiating significant wage reductions in return for an equity sharing scheme.

In yesterday's ruling the Supreme Court dealt with an earlier test case involving Bildisco, a New Jersey builders' merchant company. Bildisco had reduced wages after seeking bankruptcy under Chapter 11 of the Federal Law, a procedure which is aimed at protecting a company from creditors during a reorganisation.

This move had been upheld by the local Federal bankruptcy referee, but the Teamsters union had then responded by appealing to the Federal courts. The union argued that labour law, under which employees take precedence over suppliers and other creditors, was superior to the law on bankruptcy.

Labour experts in the U.S. argue that the Supreme Court ruling is not likely to lead to a rash of Chapter 11 filings as a means of reducing wages. The bankruptcy proceedings, they say, are so damaging to a company that they are only likely to be used in extreme situations.

Nevertheless, labour specialists are in broad agreement that the decision will place yet more pressure on the trade unions at a time when they are already under heavy attack in several key industries.

They point out that companies may be tempted to use the threat of Chapter 11 to push down wages, as at Eastern Air Lines.

In another, earlier, case the union at Wilson Foods eventually agreed to renegotiate its labour contracts after the company had filed for Chapter 11.

In addition the Supreme Court ruling follows another recent important test case in which the National Labour Relations Board declared that companies could break into an existing labour contract and transfer work to non-union plants.

This decision, involving Milwaukee Spring, will probably go to appeal in the courts on the grounds that, in labour law, contracts cannot be unilaterally abandoned.

Howard Johnson may develop 70 U.S. hotels for $500m

BY DAVID DODWELL IN LONDON

HOWARD JOHNSON, the U.S. motel and restaurant chain owned by the Imperial Group of the UK, plans to develop between 70 and 90 hotels in the U.S. over the next five years in a programme – financed principally by outside investors – likely to cost more than $500m.

Six hotels are already planned – two to open next month – and all will carry the name Plaza-Hotel.

Imperial said yesterday the outside finance would be coming from "equity capital markets and traditional lending sources." Howard Johnson's own aim would be to provide management in the hotels, and to fund investments from its own cash flow, it said.

Howard Johnson has about 500 lodges across the U.S., and about 1,000 restaurants carrying either the Howard Johnson or the Ground Round name.

The new hotels will be "mid-priced, full service hotels, with standards and facilities designed to meet the needs of business leisure and travellers."

Of the 70 to 90 to be developed, between 30 and 40 will be built as new. Howard Johnson already has 12 hotel-standard sites in its chain of lodges, and these will be absorbed into the Plaza-Hotel chain. Between 30 and 40 existing Motor Lodge licensees will also be offered the opportunity to join the hotel chain.

The first two to open will be the Washington Plaza-Hotel and the JFK Airport Plaza-Hotel. The other four soon to be opened will be in Plainview, New York and Minneapolis, Minnesota – both of these already exist and are being refurbished – and in Baltimore, Maryland and Westborough, Massachusetts – both of these newly built.

A spokesman said the hotels will average between 200 and 350 bedrooms apiece, and would be built or refurbished at costs ranging from $45,000 to $65,000 per room. This suggests the total cost of the programme over the next five years will exceed $500m.

Imperial said the Howard Johnson division had "outperformed" its tobacco and brewery interests in the financial year to October 31 last year, but this was mainly due to its food operations. Turnover amounted to £19.4m ($27.9m) over the year, compared with Imperial's overall turnover of £4.38bn.

Mesa aims to raise Gulf stake

Continued from Page 1

shares if more are tendered. Following the announcement yesterday, Gulf shares eased $1⅜ to close at $54.

Mesa said that the purpose of the anticipated offer is to "increase the group's equity interest in Gulf and thereby enhance the group's ability to seek control of Gulf." It is the group's intention "to seek to gain control of Gulf, by proposing its own nominees at Gulf's next annual meeting."

Mesa's announcement follows several weeks of mounting speculation that Mr Pickens and his investor group planned to mount a tender offer for Gulf. At the end of last year, Gulf narrowly defeated a bid by the Pickens' group to block the company's reincorporation in Delaware which gave it greater protection against hostile takeover eids.

Yesterday Mesa announced that it was borrowing some $300m from Penn Central by issuing $270m of securities and $30m worth of eight-year warrants, which will give Penn Central an option to buy up to $10m shares in Mesa at $16 per share.

If Mesa obtains control of Gulf, Penn Central has the right of first refusal of certain Gulf assets which will be sold.

Penn Central is a diversified energy and technology group which lost $15.3m last year after taking large writeoffs on the sale of certain operations. However, the company has plenty of cash and according to an official sees the Mesa deal as an "opportunistic investment."

Penn Central is headed by Mr Carl Lindner whose own company, American Financial, controls 23 per cent of Penn Central equity.

Mr Pickeus is acquiring a reputation as a champion of shareholders rights in the struggle to control Gulf.

French blockades put economy under stress

Continued from Page 1

retail groups, reported no hold-ups of lorries reaching their hypermarkets. Leclerc warned, though, that difficulties might ensue if the dispute worsened.

Opposition politicians refrained from making political capital out of the affair, with M Jacques Chirac, the neo-Gaullist RPR leader, issuing a diplomatically worded call for calm.

Motorists remained surprisingly calm in the face of the road blocks, which in some cases were relaxed to allow private cars through at a snail's pace. M Gaston Defferre, the Interior Minister, took a helicopter from Paris on Tuesday night to reach Charles de Gaulle airport, north of the city. The airport remained cut off from road access yesterday and Air France advised air travellers to take the already overloaded rail link.

There was indication of considerable public support for the lorry drivers' stand against a powerful and much disliked group, the French customs, in an opinion poll to be published today. The Parisian daily Le Parisien Libéré found that 54 per cent of 1,000 people questioned yesterday supported the truckers' action and 67 per cent thought their claims were justified.

Apart from speedier frontier clearance, which should result from measures agreed by the Government on Tuesday, the drivers' demands include easier restrictions on working hours, an increase in haulage tariffs and more tax concessions on fuel costs.

M Fiterman has refused to open talks on this until next week.

One motorist who plainly did not see the truck drivers' point of view fired into a group of drivers at Le Bourget, north of Paris early yesterday morning. A Dutch driver was wounded, not seriously.

Andrew Fisher adds from London: Britain is pressing France to consider compensation for UK operators with lorries caught in the road blockades. Mr Malcolm Rifkind, Minister of State at the Foreign Office, told the Commons yesterday.

But the British Government would have no liability to make any payments itself, he added. Consular staff in France had been giving assistance to UK drivers stranded on the roads.

Some lorry operators have put their losses at about £500 ($720) a day, said Mr Freddie Plaskett, director general of the Road Haulage Association. Compensation requests could exceed £1m if the dispute continued for several more days.

More than 200 British lorries are stuck behind French blockades. "Many operators, especially smaller ones, are in serious risk of being ruined," said Mr Plaskett.

As well as seeking French compensation, the RHA wants the British government to put pressure on the Italians to start traffic flows moving quickly once the blockades are removed.

"Even when the blockades are cleared, it will take three or four days before things ar back to normal," said Mr Boh Duffy, senior executive officer of the RHA.

Two British consular officials from Lyons have been at the Mont Blanc tunnel area, scene of the biggest blockade since Monday. One official contacted 50 trapped British drivers an area west of the tunnel. The officials have been helping with language problems and in negotiating for food and diesel oil through the police.

Timex to quit U.S. computer market

Continued from Page 1

U.S. version of the Spectrum computer. The U.S. version was launched late last year, and compared unfavourably with more powerful computers costing only slightly more, such as the best selling Commodore 64.

Mr Bill Frank, an analyst with InforCorp, a market research firm in California commented: "Timex computers are computer literacy products. The capability is too limited and they are not very useful machines."

The poor sales in the U.S. will mean significantly lower royalties for Sinclair Research. In the year ending March 1983, the company received £1.2m ($1.74m) in royalties on six months' sales of the lower-priced computers. Total turnover for the year was £54.5m. First-half figures from Sinclair Research this year were disappointing.

Sinclair Research would not comment on the Timex decision yesterday. One option would be for it to assume responsibility for marketing Timex models in the U.S. but that seems unlikely. Sinclair is already planning the launch of the £400 QL computer in the U.S. in the second half of the year. The newly launched business-oriented computer was intended to be sold independently of Timex by mail order and then through shops.

United Satellite seeks $40m in expansion plan

By Paul Taylor in New York

UNITED SATELLITE Communications is attempting to raise $40m from private investors as part of a major expansion plan. The company last autumn introduced the first commercial direct broadcast system (DBS) network in the U.S., beaming television programmes via satellite to roof-top receiving dishes.

The $40m private placement, which is being handled by Salomon Brothers and Morgan Stanley, two of the major Wall Street investment banks, is the first step towards extending the company's DBS service nationwide. According to United Satellite's offer document the company will require an additional $200m or more over the next three years.

United Satellite was formed a year ago to exploit the potential market for DBS services in the U.S. Until now it has been funded primarily by its major shareholders, Prudential Insurance Company of America which owns a 51.9 per cent stake, General Instrument Corp, which owns 11.9 per cent, and two private investors, who together own 21.2 per cent.

United Satellite, which began its DBS service last November in Indianapolis and has around 1,000 subscribers, believes it will capture about 2.3m subscribers by 1988 or around 12.9 per cent of households in areas which do not have cable television services.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	12	54	Dubrovnik	C	8	46	Malaga	S	14	57	Salzburg	Sn	4	39
Akrotiri	S	19	66	Faro	S	14	57	Malta	S	17	63	Seoul	C	5	41
Algiers	F	15	59	Florence	C	8	46	Manila	C	32	90	Singapore	R	30	86
Amsterdam	F	4	39	Frankfurt	C	4	39	Miami	S	21	70	Stockholm	C	-2	28
Athens	S	18	61	Funchal	C	16	61	Milan	Fg	2	36	Strasbourg	R	5	41
Bahrain	C	25	71	Geneva	F	8	43	Moscow	S	-7	19	Sydney	S	24	75
Bangkok	C	33	91	Gibraltar	S	18	81	Munich	C	3	37	Taipei	C	25	77
Barcelona	S	13	55	Guernsey	C	7	45	Nairobi	-	—	—	Tangier	S	12	54
Beirut	-	—	—	Helsinki	S	-6	21	Naples	F	13	55	Tehran	-	—	—
Belgrade	S	3	37	H. Kong	C	19	66	New Delhi	C	18	64	Tel Aviv	S	19	66
Berlin	S	1	34	Innsbruck	C	2	36	New York	C	0	32	Tenerife	C	19	66
Biarritz	R	7	45	Inverness	C	7	45	Nice	-	—	—	Tokyo	C	9	48
Blackpool	C	8	43	Istanbul	S	11	52	Oporto	F	11	52	Toronto	C	0	32
Bordeaux	C	9	48	Jersey	C	7	45	Oslo	F	-3	27	Tunis	S	17	63
Brussels	F	5	41	Jo'burg	C	27	81	Paris	C	5	41	Valencia	S	15	59
Budapest	C	2	36	Las Palmas	F	19	66	Prague	C	-1	30	Venice	Sl	0	32
B. Aires	C	30	86	Lima	C	26	79	Reykjavik	C	-1	30	Vienna	Sn	-1	30
Cairo	C	18	64	Lisbon	C	12	54	Rio de J'o	C	38	100	Warsaw	C	-1	30
Cape Town	-	—	—	Locarno	Fg	3	37	Rome	C	12	54	Zurich	S	5	41
Caracas	C	27	81	London	R	5	41								
Casablanca	C	15	59	Los Angeles	F	12	54								
Copenhagen	Sn	0	32	Luxembourg	Sl	1	34								
Corfu	F	13	55	Madrid	C	9	48								
Dublin	C	7	45	Majorca	F	15	59								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

THE LEX COLUMN

Lightning strikes again at CU

The market was in several minds about what to do with Commercial Union's share price yesterday. The company's decision to bring forward its preliminary statement by a week promised the worst and, in one respect, that is what the market got. The pre-tax profits of £9.3m were about £30m shy of the more pessimistic forecasts and, even after CU had taken the unprecedented step of crediting realised investment gains to the revenue account, the dividend was less than fully covered.

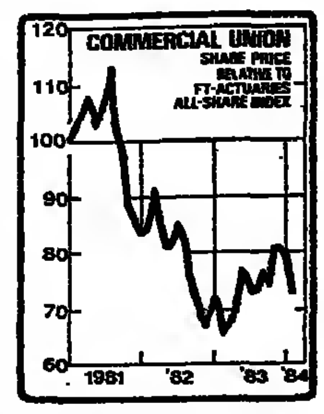
Even by CU's standards, there was nothing routine about yesterday's disappointment and the shares initially dropped 13p to 163p. Their subsequent recovery to 172p may have reflected relief that the pre-tax shortfall was broadly explained by a special provision in the U.S. where new management appears to be tackling the serious under-reserving problem. The sceptical may have taken the view that CU is more likely to go into the tobacco business than to cut its dividend. Seen as a fixed-interest stock, the investment shows a decent running yield of 10.2 per cent.

Whatever the reasons for the share price response, yesterday's news delivered another serious blow to the company's already battered credibility. CU clearly cannot cut its dividend without risking a takeover, but yesterday's explanation of the level of payment was less plausible than any since 1975.

The exceptional factors serve if anything to underline the pressure being felt within the company. CU has surrendered cash flow for the next three years by paying a counterparty to accept future claims at a discounted present value, enabling it to make further provisions in the U.S.

Even making the generous assumption that CU has finally created adequate reserves in the U.S. and that commercial rates there are beginning to strengthen, yesterday's figures raised some awkward questions. The claims ratio of 97.3 per cent on U.S. commercial business in the final quarter is astonishingly awful and it seems odd that the company showed net unrealised losses of £22m on its investments during 1983.

CU had a slight hiccup in Canada during the final quarter but in general its non-life businesses outside the U.S. are performing well and there is plenty of potential in the life operations. But the U.S. remains the focus of all interest. CU may at last have put its house in order but will have its work cut out to prove the point.



Hepworth/Steetley

In blocking Hepworth's bid for Steetley, the Monopolies Commission has at least managed to pin its decision on something to do with competition. But in order to do this, it has proved necessary to embrace some remarkably fine distinctions between different types of refractories; some of the micro-markets where the merged companies might have taken an overmighty share ran to national sales of less than £5m a year.

It may be that this report has implications which stretch beyond the refractory markets. The desire of manufacturers to take their inputs from more than one source is seen here as likely to pull in imports if two leading UK suppliers join forces, and hence as causing unemployment. If the commission transfers this logic to the motor component industry, now under scrutiny, GKN's chances of renewing its offer for AE cannot be any too good.

Asea

Asea can turn out robots with built-in binary vision these days, so perhaps its Swedish head management has developed a keen eye for longer-term goals just to stay ahead. An impressive performance by the heavy engineering group in 1983 has lifted pre-tax profits by 57 per cent – equity accounted and before minorities – from SKr 1.49bn to SKr 2.34bn on a 17 per cent jump in sales to SKr 30.2bn.

Asea's targeted 20 per cent return on capital has been reached, or very nearly so, and the sights have been raised accordingly to 25 per cent. At the same time, after three years of heavy restructuring which has produced a sizable jump in gross margins, the group now looks intent on at least three other major changes yet to register a real impact.

First there has been a huge shift of resources away from power generation and into power transmission and distribution, the area which has made the biggest contribution to 1983's sales growth. Second, Asea has continued to switch its attentions even more in the direction of major customers in the U.S. and Western Europe, although foreign sales in toto are still around two-thirds of the aggregate. And third, management appears at last to have adopted a far more vigorous approach to cash flow – 1983's interest account shows a net profit of SKr 42m against a charge of SKr 89m in 1982. All three trends ought to benefit from the cyclical upturn in Asea's main markets, still notably absent in 1983.

Asea's shares have fallen back over 10 per cent in recent weeks. At SKr 420, they stand at a historic p/e multiple of about 9½ on a stated tax basis and are yielding 1.4 per cent.

Reuters

Even Chubb Locks could not have designed a shareholding structure more burglar-proof than that presented for approval to the trustees of Reuters. The company's financial advisers have introduced enough safeguards to satisfy the trustees, but, in doing so, have thrown down a gauntlet to the institutions, whose opposition to partial voting shares knows few bounds.

The representative bodies of the pension funds and insurance companies will presumably try to formulate recommendations on how to handle the issue. This will be no easy job. Despite the company's insistence that the circumstances of this flotation are unique, the institutions will be reluctant to set an unfortunate precedent in an area where they have recently shown a remarkably united front. Set against that is the knowledge that Reuters is big and exciting enough to form part of a core portfolio. A compromise may be reached whereby some institutions will decline a place in the underwriting syndicate but subscribe for shares in the normal way.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, F. Barlow, R.A.F. McClean, M.C. Gorman, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter-Societats-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main.

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday February 23 1984

Asea profits surge sharply in wake of major restructuring

BY DAVID BROWN IN STOCKHOLM

ASEA, the Swedish electrical engineering group, has achieved a 55 per cent increase in pre-tax profits to SKr 2bn ($250m) for 1983, against the SKr1.3bn achieved a year earlier.

Asea last year completed an extensive three-year restructuring of its operations, and said the result was helped by better profit margins as well as increased sales, particularly in the power transmission, distribution and transport equipment sectors.

Net profits grew from SKr 275m to SKr 305m.

Sales were ahead by 17 per cent to SKr 30.2bn compared with the SKr 25.8bn achieved during 1982. The order book was only slightly ahead at SKr 27.2bn, against SKr 26.7bn.

Large orders from developing countries had declined sharply because of their economic difficulties, while the share of order bookings for small and medium-sized equipment has grown. But the company said the economic upswing in the U.S. and western Europe had not yet been translated into significantly higher demand.

The start of an economic upswing, with the positive effects of rationalisation, will mean a "certain improvement" in earnings this year, the group said. But it cautioned that the rate of improvement would be "distinctly lower."

Operating results climbed just over SKr 500m to SKr 2bn. Net financial costs declined sharply from SKr 219m to SKr 30m due to lower losses on exchange rate fluctuations and net interest income.

Asea posted an extraordinary loss of SKr 121m – against a gain of SKr 41m the previous year – due to costs of capacity cuts in the power generation and finished goods divisions, as well as an expenditure of some SKr 70m related to its centennial celebrations.

Earnings per share were SKr 24.7 against the SKr 16 per share in 1982.

Lex, Page 29

Kraftwerk Union sees sharp rise in sales

By John Davies in Mülheim

KRAFTWERK UNION (KWU), the power station subsidiary of Siemens, the West German electrical concern, expects to show a sharp increase in sales this financial year as it books major revenue from construction of two nuclear power plants in Germany.

By contrast, KWU's sales revenue fell 29 per cent to DM 3.4bn ($1.26bn) in the financial year to September 30 as there was no completion figure for any nuclear power station project.

The company, however, reported a stable net profit of DM 50m and will pay Siemens an unchanged 18 per cent dividend.

Herr Klaus Barthelt, KWU's chief executive, said that the company was no longer a drain on Siemens but was able to play its part in contributing to group earnings.

However, Herr Barthelt said KWU saw the need to adjust to new circumstances in the future.

Although electricity usage had begun to revive in West Germany, it would be wishful thinking to expect this to result in new power station orders in the immediate future, he said.

The best prospects for nuclear power plants abroad were in Turkey and Egypt, but elsewhere difficulties abounded, he said.

Herr Barthelt said that capacity utilisation had risen but was still "bad" at only 51 per cent.

The number of employees, now about 14,500, would have to be reduced by 2 or 3 per cent over the next few years.

● Dresdner Bank has set up a holding company to manage on a tax effective basis the bank's 10 per cent shareholding in BMW. The holding company, GFA-Gesellschaft für Automobilwerte, is 50 per cent owned by Dresdner and 50 per cent by various domestic institutional investors.

The 10 per cent holding was assembled in agreement with Herbert Quandt, the majority shareholder in BMW. The bank's move follows legislative changes reducing the level of shareholdings qualifying for exemption from asset and trade taxes.

Terry Dodsworth in New York examines a Wall Street growth business

U.S. merger activity spurs arbitrageurs

TAKEOVER activity in the U.S. has increased, is increasing and will continue to increase. Mr Ivan Boesky, who makes this forecast, has a vested interest in seeing it fulfilled: if he gets it wrong, he stands to lose some potentially lucrative business.

Mr Boesky is a modern version of a breed that is as old as markets themselves. He is an arbitrageur, an investor who makes his turn by spotting price differences between two related securities and takes his profit in one by buying the other. Arbitrage, or merger speculation, is one of Wall Street's growth businesses, and it attracts a certain kind of dealer – the sort of individual, says Mr Boesky, who has a "degree of foolishness and the temperament to withstand loss."

A market in which there is heavy takeover activity is ideal for the arbitrageur, since it is constantly throwing up situations in which he can take a view of the possibility of a deal coming off, and on its price. According to Mr Boesky's definition, arbitrage does not effectively start until an offer has been made public. "You need a situation in which different securities are related and moving in tandem because of a pending change," he says.

If, for example, someone had taken a stake in Getty Oil (as he himself did) well before the Texaco bid on the reasonable observation that the company was undervalued and inviting an offer, that would not qualify as arbitrage. A similar stake taken after the announcement of the bid (which he probably did as well), would, however, count as pure arbitrage – and of a particularly risky kind, given the dangers of an anti-trust action.

The Texaco/Getty affair is a good example of why Mr Boesky believes, as he puts it, that the "proliferation of mergers and acquisitions will outpace anything seen in modern U.S. history." First, he believes that the present Administration is moving towards a liberalisation of the anti-trust laws – a point which seemed to be indisputable after the Federal Trade Commission's acceptance of the Texaco/Getty deal, though it appears much less clear after the Justice Department's rejection of the LTV/Republic Steel merger.

A decision to allow two large oil companies to get together would have been highly improbable before the election of President Ronald Reagan, and it has encouraged the general belief that more concentration of industry will be permitted elsewhere. On steel, it is not clear which line Mr Boesky's money was backing, although well before the LTV/Republic announcement he put his finger on the key issue of whether the U.S. market could be regarded as national or international.

Second, he argues that in many sectors it is still cheaper to buy assets than to build them, despite the increase in U.S. market valuations over the last year and a half. This is clearly true in an outmoded industry like steel: U.S. Steel for example, is aiming to acquire National Intergroup's facilities at well under one-tenth of what it would cost the company to build them.

Mr Boesky: arbitrage as art form not science

This deal has almost certainly been scuppered by the Justice Department's decision. But Mr Boesky says there are many other sectors suffering from overcapacity and inefficiency where companies able to raise cheap money through high share prices will join the acquisition trail. Last year's figures on U.S. merger and takeover activity, which showed a 36 per cent increase to $73.1bn, lend some support to this view.

One of Mr Boesky's most recent coups was in the UK, where he arbitraged the Eagle Star takeover, finally selling one of the fateful packages of shares which delivered the company into the hands of BAT. This deal is evidence of the growth of his ambitions in Europe: he has interests in France, and in the UK, where he manages funds for the Cambrian and General Securities Investment Trust, in which his family has a substantial investment interest. The heart of his business, however, lies in the U.S., where he first started in risk arbitrage at Rothschild.

In those days, the mid-1960s, it was very much a minor activity on Wall Street. Only three firms – Bear Stearns, Rothschild and Goldman Sachs – had arbitrage departments, and they were run by men who had moved up from the dealing floor. Today, virtually every Wall Street securities house has an arbitrage division, staffed by the new breed of graduates who have come through the security analysis and investment banking disciplines.

"Like being a shoemaker, you have to know how to hold the hammer," says Mr Boesky. "But it is an art form, not a science. Arbitrage is very judgmental, not something that lends itself to a formula."

If not unique, Mr Boesky stands very much apart as a lone operator. He hived off his own company in the early 1970s and has now built up a 70-strong operation on Wall Street, reported to have assets under management of $500m, a figure with which he does not quarrel. He has a number of institutional, corporate and pension fund shareholders, and claims to commit more dollars to arbitrage than any other firm in the U.S.

He also clearly expects the company to grow larger. So far this year, the takeover and merger boom has certainly shown every sign of increasing from the heady levels of 1983, although the current retreat in the equity market may be dampening some of the enthusiasm for corporate paper.

Meanwhile, Mr Boesky is adding other interests. He is moving increasingly into merchant banking (the public can get a piece of this action through the 81 per cent Boesky-controlled Vagabond Hotels). Recently he bought a quoted Californian savings and loan institution. Where these new interests are leading is not entirely clear, but the somewhat private 46 year old individualists at the centre of this unconventional empire still sees plenty of excitement left in arbitrage, despite all the new competition.

"It takes a certain amount of capital, and the willingness to back your judgment with your own money. Every day you walk to the market; and every day you are as good as your last performance."

KemaNobel gains exceed forecast

BY OUR STOCKHOLM CORRESPONDENT

KEMANOBEL, the leading Swedish chemicals group, has pushed its 1983 profit before taxes and allocations up to SKr 553m ($69m) well ahead of the SKr 206m achieved a year earlier and a sharp improvement on the forecast made after the first eight months.

Sales were ahead by 46 per cent to SKr 5.8bn from SKr 3.96bn in 1982.

Operating results climbed from SKr 242m to SKr 575m and the group expects a continued improvement this year. Net financial costs doubled to SKr 60m, while net income from associated companies in which KemaNobel holds a minority share grew fourfold to SKr 43m. Unspecified non-recurring items cancelled each other out, the company said.

The biggest improvement came in the plastics and industrial chemicals division, where operating results powered ahead by SKr 157m to SKr 256m and sales climbed 44 per cent to SKr 1.8bn.

The glues and paints division reported a SKr 76m improvement.

Profit per share climbed from SKr 12 to SKr 30, and the dividend will be increased by SKr 2 to SKr 7.

KemaNobel this month concluded a deal under which it is selling its holdings in PVC and polyethylene production and withdrawing from the petrochemicals industry. Its holdings will go to Norsk Hydro, Norway's biggest company, and Neste, the Finnish state oil and petrochemicals group, in a deal said to be worth SKr 1bn.

KemaNobel will concentrate chiefly on its traditional products, including bleaching chemicals used for the pulp and paper industry.

Jutland bank lifts dividend

By Hilary Barnes in Copenhagen

JYSKE BANK, the Jutland-based bank which is the fifth largest commercial bank in Denmark, increased its dividend from 18 to 20 per cent, making it the highest bank dividend paid in Denmark.

It increased net profits last year from DKr 117m to DKr 913m ($92.5m), giving the bank a return on equity capital at the start of last year of 97 per ceot.

The increase io earnings was the result of an increase in the value of the bond and share portfolio from DKr 344m in 1982 to DKr 1.7bn last year.

The bank's balance-sheet total increased by 64 per cent to DKr 23.8bn and total equity capital at the end of the year amounted to DKr 2.2bn.

SDS, the largest Danisb savings bank, increased net profits from DKr 112m to DKr 706m after an increase in the portfolio adjustment item from DKr 369m in 1982 to DKr 1.8bn. In contrast to almost all the other larger banks, SDS's operating profits also increased, rising from DKr 475m to DKr 499m.

Remy-Martin wine deal

BY PAUL BETTS IN PARIS

REMY-MARTIN, one of the leading French cognac producers, bas taken a large sharebolding in Nicolas, the French wine and spirits merchant.

Remy-Martin bas acquired a 49 per cent stake in La Gestion Mobilière, the holding company of the Nicolas family who will retain a 51 per ceot controlling interest. This holding company in turn holds 40.17 per cent of the Nicolas company. The other main sharebolder of the large French wine merchant is the Primisteres group which embraces the Felix Potin chain of grocery shops.

Nicolas has been losing money with a deficit of more than FFr 30m ($3.8m) last year and has been looking for a new partner.

Rolm buys back stock

BY LOUISE KEHOE IN SAN FRANCISCO

IBM's sharebolding in Rolm Corporatioo, the California telecommunications equipment manufacturer, will increase to about 22 per cent with the announced offer by Rolm to purchase 3m shares of its own stock.

Rolm said on Monday that it would offer $41 for each share. The offer would not be open to directors and officers of the company or to IBM.

In 1983 Rolm sold stock to the public and IBM, increasing the number of outstanding shares from 18.4m to 26.7m. IBM initially purchased 3.9m sbares in July last year for $59 per share. IBM subsequently bought more stock, bringing its bolding to about 20 per cent.

Amfas sells life unit to rival insurer for $9.8m

BY WALTER ELLIS IN AMSTERDAM

AMFAS, the Dutch insurance group, has sold an Amsterdam subsidiary, Eerste Hollandsche, to a rival insurer, De Nederlanden van 1870, for Fl 30m ($9.8m).

Eerste Hollandsche, which specialises in the life market, cost Amfas Fl 48m in 1979, and some Fl 8m has since been spent on improving services.

Amfas is in the course of being taken over by Nationale Nederlanden, the number one Dutch insurer, and is tailoring its activities to suit those of its new masters.

Earlier this week, Amfas announced that it had sold Gemako, a property investment subsidiary, to two of its managers. The amount was not disclosed. Amfas's property division bas been in trouble for several years, but the Gemako buy-out is said to have made a negligible impact on group assets. Gemako, based in the Hague, has a staff of 67 and deals mainly in rentals.

In 1982 Amfas recorded a net loss of Fl 68m, with much of the deficit attributable to property dealings and marine insurance transactions. Since then, major restructuring has been put in train, and earnings of Fl 6m have been forecast for 1983. But while the group has clearly begun to recover lost ground, it was still felt that co-operation with a larger entity was necessary to maximise future growth.

fnsurance mergers are common in the Netherlands – Ennia and Ago fused only last year, to form Aegon – and those companies which bave taken this step in recent years have generally done well as a result.

ft has been confirmed recently that NatNed – which already holds 40 per cent of Amfas equity – will offer half of one of its own shares plus Fl 70 for each Amfas share outstanding, making the deal worth around Fl 400m. The respective boards of directors and works councils have approved the change. Amfas workers were naturally concerned to protect as many of their 4,000 jobs as possible but finally endorsed a plan that will involve several hundred redundancies.

One of the conditions laid down by the unions for accepting the merger was a guarantee that Eerste Hollandsche, with its 280 jobs intact, would be sold first.

Nationale Nederlanden expects to declare increased profits for 1983 on revenues 14 per cent ahead at Fl 12.7bn.

Royal Bank in debt agreement with Page

By Nicholas Hirst in Toronto

PAGE Petroleum, a Calgary-based oil and gas gronp with interests in Canada and the U.S., has reached agreement with the Royal Bank of Canada to restructure C$116m (U.S.$93m) of debt.

The restructuring is conditional on the issuing of a package of securities consisting of common shares, warrants and subordinated loan stock in exchange for U.S.$25m of 10 per cent convertible debentures due for repayment in the year 2000.

Agreement requires the consent of holders of two thirds of the present debentures.

The new securities, which are to be offered in April, will pay interest either in cash or in common shares and will be convertible into paid shares.

The Royal Bank has agreed to reschedule C$75m of debt into a 12-year term loan. The remaining debt is to be converted into a revolving credit and a secure debenture.

In the nine months to September 30, Page made a net loss of C$24m including a C$18m write-down of the value of its U.S. production acreage.

Acquisitions boost Kone performance

By Lance Keyworth in Helsinki

KONE, the Finnisb manufacturer of lifts, materials handling equipment, marine technology and hospital instruments, had another successful year in fiscal 1983. Consolidated net sales increased by 23.7 per cent to FM 3.93bn ($685m) about a balf of which derived from companies acquired during the year.

After tax earnings were raised by one third to FM 18.1m.

Parent company turnover increased by 12.2 per ceot to FM 1.48bn, yielding a net profit of FM 52.1m against FM 37.5m in 1982. Earnings per share amounted to FM 28.48 against FM 19.91 in 1982.

Hungary exports expertise to the West

BY DAVID BUCHAN IN LONDON

HUNGARY is doing increasing business – $20m last year – in selling the relatively cheap skills of its computer programmers to software-hungry Western Europe. But one new company in Budapest, Novotrade, believes there are many more commercially unexploited ideas in Hungary, and it is doing its best to "bring them to market."

Novotrade was set up at the start of 1983 as a sort of commercial midwife for the development and marketing of Hungarian brainwaves. Established under an 1875 law, it has the distinction of being the country's only company whose shares can be freely traded. The bulk of its 498 shares (at 250,000 forints or $4,434 each, they are beyond the means of most private individuals) are held at present by the four big state-owned banks, and the rest by other Hungarian companies.

Only a third of the capital, or 40m forints, is paid up. But that has not restricted the company in its first year, according to its managing director, Mr Gabor Renyi. Last year Novotrade achieved a turnover of 40m forints and made a very modest profit of 6m forints, while investing a further 40m forints in future projects.

An array of Novotrade's projects are displayed at its offices, ranging from computer software and games to metal-cutting machines, speech therapy equipment and cosmetics. The nature of Novotrade's business varies according to the development costs and direct marketability of a particular product.

Mr Renyi gives the examples of a new personal workshop lathe which Novotrade ins backing. The licence and documentation for the lathe (known as the David because it is considered small but strong) were bought from its inventor for 800,000 forints, plus a fee of 1.5 per cent of the lathe's retail sales for 10 years.

Novotrade then sold the licence on to a manufacturing company for 4m forints. It bas also given the manufacturer 4m forints for tooling up costs, whicb it plans to more than recoup on its royalty on the sales. The Novotrade royalty fee is 8 per cent on sales up to 20,000 and 4 per cent thereafter. Even if sales are only 8,000, Novotrade is confident of doubling its money on David.

Where a venture is more speculative and the return less sure, Novotrade is less bold in its financing, Mr Renyi explains. It tends to lend, not give, money to a manufacturer or lease it production equipment. Novotrade also enters into joint ventures with Hungarian companies.

Manufacture of computer bardware is still on a small scale in Hungary, and not very competitive internationally. What Hungary offers is its software programming skills. Mr Renyi claims the country has 10,000 programmers, many of them qualified engineers and mathematicians and with experience of working in the West. He believes it would benefit Hungary more if these programmers were given the work opportunities at bome – precisely what Novotrade aims to provide. So far the best market for Novotrade electronics bas proved to be the UK, through a link-up with Andromeda Software, a Londoo company run by Mr Robert Stein, himself of Hungarian origin.

Other, bigger institutions are getting into the innovation business in Hungary, including the National Bank with its Innovatioo Fund and the ministries of industry and agriculture. This is partly because the current government squeeze on investment credit has put a premium on venture capital operations like Novotrade.

INTERNATIONAL COMPANIES and FINANCE

Inquiry into iron ore business of ISCOR

By Bernard Simon in Johannesburg

THE SOUTH AFRICAN government has asked three leading businessmen to examine the ailing iron ore business of ISCOR, the state-owned steel producer, after more than three years of declining export volumes and mounting losses.

According to Dr Dawie de Villiers, the Minister of Industries, the Government "is concerned about the impact which the changing international market for steel, and consequently iron ore, will have on ISCOR." The three-man committee of inquiry will be headed by Mr John Maree, who is in charge of the Barlow Rand industrial group's building materials division.

The latest blow to ISCOR's iron ore business is a recent refusal by Japanese steel mills to increase purchases from South Africa, presently running at around 5m tonnes a year.

ISCOR's total iron ore exports reached a peak of 14.7m tonnes in 1980, but fell to 8.1m tonnes in the year to June 30 1983. The downward trend appears to have continued since then. South Africa's earnings from iron ore totalled R11.1m ($9.1m) last November, down from R14.8m in November 1982.

ISCOR's export mine at Sishen in the North-West Cape, which came on stream in 1977, is one of the few large-scale iron ore projects developed in the past decade.

ICOR said in its last annual review that the international iron ore market is expected to remain weak beyond the end of the decade, with the prospect of rising losses from the Sishen project.

Among the alternatives likely to be examined by Mr Maree and his colleagues are a further scaling down of operations at the Sishen mine, a railing subsidy from the Government or the hiving off of ISCOR's iron ore operations from the rest of group, which is presently operating at a profit after suffering a record R244m loss in the past financial year.

Mixed response to Martin report on banking system

BY MICHAEL THOMPSON-NOEL IN SYDNEY

MR PAUL KEATING, the Australian Treasurer, said yesterday there was a strong case for issuing more bank licences.

Speaking in Canberra, where he released the Martin Committee's report on the Australian financial system, Mr Keating said he hoped the bulk of the report would be addressed by the Government by the end of the year.

The report recommended the granting of between four and six new banking licences; the removal of all interest rate controls; greater access to the cheque clearing system; and the de-regulation of lending and deposit requirements.

The report has been strongly criticised in some quarters, particularly for recommending that foreign banks be restricted to a maximum 50 per cent equity interest in new banking ventures.

Mr Paul Espie, managing director of B. A. Australia, the merchant bank, and area general manager for Bank of America, said the report ignored calls from overseas for Australia "to become less parochial and timidly protective of its financial system."

Of the proposed new bank licences, Mr Keating said: "To what extent they are foreign, as against domestic, and what the equity arrangements would be, is a matter for the Government to determine." He said there was a strong case for opening up the banking system.

Mr John Howard, the Treasurer in Mr Malcolm Fraser's former Liberal-National Party government, said the Martin report did not go nearly far enough, and said the proposed 50 per cent equity limit for foreign banks would severely affect the quality of applicants.

Australian trading banks have welcomed the report, but reaction among merchant bankers varied from wary to indignant. Many claimed they would be severely disadvantaged by preferential de-regulation of trading bank activities.

Mr Espie said the report betrayed an insular view of Australia and the world, and that the country could probably abandon its hope of becoming a regional financial centre.

"The major international banks who could bring so much to Australia and its people are unlikely to be seeking to come in the fashion proposed by the committee."

BHP fight to block Bell bid continues in court

BY OUR SYDNEY CORRESPONDENT

A LEGAL action by Australia's Broken Hill Proprietary (BHP) seeking to block a A$240m (U.S.$226m) offer by Mr Robert Holmes à Court's Bell Resources for 16m BHP shares continued yesterday in the Victoria Supreme Court.

If successful, Bell Resources' latest bid—worth approximately A$15 per BHP share—would make it the largest individual shareholder in Australia's largest company. Bell Resources already owns 8m BHP shares and options.

BHP has objected to Bell Resources' failure to issue a prospectus with its bid, though yesterday, Bell Resources said it had received a letter from the National Companies and Securities Commission, saying no prospectus was needed. A decision may be reached in court later today.

Yesterday, Sir James McNeill, BHP's chairman, issued more strong criticism of the bid, claiming it was part of a plan to "substantially charge the character of Australia's largest company."

He added: "BHP directors are extremely concerned that our shareholders are being enticed to convert their BHP shares into Bell Resources shares without receiving adequate information on Bell Resources."

He claimed there was "confusion about the activities of Bell Resources"—an offshoot of the Perth-based Bell Group—and said the offer failed to "disclose that 8.1m options for Bell Resources shares have already been granted, and that a further 5m had been granted subject to shareholder approval."

Bell Resources already has acceptances for at least 6m of the 16m BHP shares it is currently seeking.

NZ Dairy Board to buy into Wattie

WELLINGTON — The New Zealand Dairy Board, a statutory organisation with sole rights to market New Zealand dairy products overseas, has been given government permission to broaden its interests by buying into one of the country's largest food processing companies.

The NZ$50m (U.S.$33m) purchase of a 10 per cent holding in Wattie Industries has followed a complex series of takeover bids and counter-bids in recent months among some of New Zealand's leading companies.

Approval for the Dairy Board's move was announced by Mr John Falloon, acting finance minister.

The Dairy Board, which has subsidiary companies or joint ventures in some 30 countries, is already involved in selling Wattie produce in the U.S., Singapore and Malaysia.
Reuter.

U.S. airline in two-year leasing deal

By Michael Donne in London

PEOPLE EXPRESS, the low-fare U.S. airline, has signed a two-year agreement with a subsidiary of the U.S. Boeing Company for the lease of two used Boeing 747-200 jumbo jets and one Boeing 747-100.

The aircraft will join the People Express fleet at the end of June. They will be used on the airline's international route between Newark (New Jersey) and Gatwick, London, and on other long-haul routes the airline is now planning.

Frequencies on the Newark-Gatwick route, currently five flights each way weekly, will rise to a daily return flight from March 30. No decisions on the other long-haul routes have been taken, although the airline is understood to be interested in a U.S. coast-to-coast non-stop operation.

North American Quarterlies

ADOLPH COORS

Fourth quarter	1983 $	1982 $
Revenue	238.2m	182.4m
Net profits	5.1m	3.2m
Net per share	0.19	0.06
Year		
Revenue	1.11bn	915.2m
Net profits	89.3m	40.1m
Net per share	2.55	1.15

CANADA NORTHWEST ENERGY

First quarter	1983-84 C$	1982-83 C$
Revenue	26.6m	20.4m
Net profits	10.6m	6.4m
Net per share	0.71	0.44

CARNATION

Fourth quarter	1983 $	1982 $
Revenue	904.6m	916.2m
Net profits	52m	49m
Net per share	1.49	1.34
Year		
Revenue	3.37bn	3.39bn
Net profits	194.9m	190.8m
Net per share	5.47	5.21

COLGATE-PALMOLIVE

Fourth quarter	1983 $	1982 $
Revenue	1.19bn	1.17bn
Net profits	30.75m	30.93m
Net per share	0.36	0.38
Year		
Revenue	4.86bn	4.88bn
Net profits	197.8m	196.9m
Net per share	2.42	2.41

CONTINENTAL CORPORATION

Fourth quarter	1983 $	1982 $
Revenue	—	—
Net profits	†26.9m	800,000
Net per share	†0.56	†0.01
Year		
Revenue	—	—
Net profits	14.5m	106.2m
Net per share	0.19	2.04

† Loss

FRUEHAUF

Fourth quarter	1983 $	1982 $
Revenue	522.2m	434.0m
Net profits	18.9m	†7.2m
Net per share	1.46	†0.58
Year		
Revenue	2.13bn	1.65bn
Net profits	8.4m	†30.4m
Net per share	0.42	†2.47

† Loss

GILLETTE

Fourth quarter	1983 $	1982 $
Revenue	589.5m	579.6m
Net profits	36.2m	32.8m
Net per share	1.18	1.07
Year		
Revenue	2.18bn	2.24bn
Net profits	145.9m	135.1m
Net per share	4.78	4.45

HUSKY OIL

Year	1983 $	1982 $
Revenue	1.82bn	1.66bn
Net profits	47.6m	17.4m
Net per share	0.45	0.15

LOBLAW COS.

Fourth quarter	1983 C$	1982 C$
Revenue	1.46bn	1.41bn
Op. net profits	16.9m	13.8m
Op. net per share	0.44	0.36
Year		
Revenue	6.09bn	6.22bn
Op. net profits	52m	45m
Op. net per share	1.31	1.09

ROYAL CROWN

Year	1983 $	1982 $
Revenue	490m	459.8m
Net profits	15m	16m
Net per share	1.80	1.94

ZENITH RADIO

Fourth quarter	1983 $	1982 $
Revenue	363.2m	311m
Net profits	13.6m	†17.7m
Net per share	0.61	—

NEW YORK TIMES

Fourth quarter	1983 $	1982 $
Revenue	298.1m	251.1m
Net profits	20.9m	9.5m
Net per share	0.54	0.35

BHP

Advice to Shareholders

from Sir James McNeill, the Chairman of the Broken Hill Proprietary Company Limited

Dear Shareholder

TENDER OFFER BY BELL RESOURCES LTD. (FORMERLY WIGMORES LTD.)

I am addressing this letter to you as a shareholder in BHP to express my concerns and those of my fellow directors in relation to the 'first come first served' tender offer made by Bell Resources Ltd. for your BHP shares. I also want to inform you of the actions your directors have taken.

Your directors believe that acceptance of the offer is not in your best interests. They strongly advise shareholders not to accept.

The offer is a paper offer, which is made at a time when there is confusion about the activities of Bell Resources. It is an opportunistic offer made following a very recent and sharp rise in the price of Bell Resources shares.

BHP directors are extremely concerned that our shareholders are being enticed to convert their BHP shares into Bell Resources shares without receiving adequate information on Bell Resources. We have therefore asked the Victorian Supreme Court to require that Bell Resources supply full information to shareholders concerning that company.

NATURE OF OFFER

Bell Resources stated that a tender document would be mailed to BHP shareholders. Despite the offer being on a 'first come first served' basis, we are aware that many shareholders had not received a copy of the document by the time the offer opened for acceptances. There is reason to believe that many shareholders will not be on the mailing list.

The offer is for a total of 16 million BHP shares in exchange only for shares or shares and options in Bell Resources.

VALUE OF BELL RESOURCES OFFER INADEQUATE DISCLOSURE IN OFFER DOCUMENT

Bell Resources wants you to exchange your BHP shares for its own shares or shares and options. However, it fails to disclose information essential to enable you to make an informed valuation of those shares and options, for example:

It fails to disclose that at present by far its major asset is its holding of BHP shares. It does not make clear that an investment in Bell Resources is at present little more than an indirect investment in BHP shares.

It fails to disclose anything concerning its proposed investments in the CQCA and Gregory Coal Joint Ventures. Bell Resources has announced it will buy a 5 per cent interest in these joint ventures and an option for a further 5 per cent. The expenditure involved in acquiring the initial 5 per cent interest amounts to some $135 million: the exercise of the option could be expected to involve a similar amount. This is a massive undertaking for Bell Resources in relation to its shareholders funds and activities. However, Bell Resources has not disclosed how it proposes to meet these commitments or what the effect will be on its financial position.

It fails to disclose that 8.1 million options for Bell Resources shares have already been granted and that a further 5 million have been granted subject to shareholder approval. Accepting shareholders will have their interest in Bell Resources diluted on exercise of these options but the offer document fails even to mention their existence.

It fails to disclose any information to clarify whether the Bell Group Ltd. (Bell Resources parent company) will use Bell Resources as the repository for its resources investments, including the Bell Group's current substantial shareholding in Weeks Petroleum — a matter which has been the subject of considerable speculation.

ASSET BACKING FOR BELL RESOURCES SHARES

At present the market price of Bell Resources shares is significantly above its asset backing as disclosed in the offer document. We see little reason why this premium should remain.

The financial information presented by Bell Resources in the offer document reveals that at December 31, 1983, net assets of the company amounted to $6.59 for each issued ordinary share. This does not take account of the dilution arising from the exercise of outstanding options.

Shareholders should be aware of substantial changes that may occur to the share capital structure of Bell Resources. Currently 8.1 million shares (of which 6.1 million shares are held by the Bell Group) and 8.1 million options are on issue. Subject to Bell Resources shareholder approval a further 5 million shares and 5 million options will soon be issued. If there are 16 million BHP shares tendered under the offer then on the 7 for 4 consideration basis, a further 28 million Bell Resources shares will be issued. In total there would then be 41.1 million shares and 13.1 million options on issue. This enormous increase in the issued capital of the company, together with the possibility of substantial dilution through the exercise of the options, will have a substantial negative impact on the current premium of the share price over net asset backing.

SHARE PRICE HISTORY OF BELL RESOURCES

Since January 1, 1984 the market price of Bell Resources shares has varied between $7.00 and $8.50. Less than three weeks ago, Bell Resources shares traded at $7.25. On this basis the exchange offer would be worth $12.69 for each BHP share as compared with the BHP share price of $13.80 at close of trading on February 21, 1984.

A comparison (based on available information) of the recent price of a BHP share and the market value of a holding in Bell Resources if a shareholder accepted the tender offer shows clearly that any apparent attractiveness of the exchange offer is based solely on the very recent rapid rise of the Bell Resources share price.

VALUE OF YOUR INVESTMENT IN BHP

The offer undervalues BHP's shares.

BHP's earnings are recovering strongly. The interim result reported for the half-year to November 30, 1983 of $282.2 million more than doubled the profit reported for the same period in the previous year. It represented an even more dramatic increase in relation to the profit reported for the May 1983 half-year.

As was announced on Monday last, February 20, your directors decided to recognise this improvement by making a one for five bonus issue of shares to shareholders registered on April 27, 1984. They expect that the current dividend rate per share will at least be maintained on the increased capital.

As a continuing BHP shareholder you will become entitled to:

The May dividend.

The one for nine new share issue at $7.50 (only 54 per cent of the current share price) payable in two instalments and to be offered to shareholders registered on March 2.

The one for five bonus issue to be issued to shareholders registered on April 27.

If you accept the tender offer you forego your entitlement to the May dividend, the new cash issue on attractive terms, and the bonus issue. Moreover, you will on the current dividend rates for BHP and Bell Resources shares experience a reduction in your annual dividend income.

BENEFITS IN BHP GROWTH

Your directors expect that benefits should rise both from continued growth in the company's traditional operations and from participation in a number of new activities including:

Oil exploration and development of BHP's oil tenements including the Fortesque oil field in Bass Strait, the Jabiru discovery in the Bonaparte Basin and BHP's participation in the North West Shelf project.

The major interest in the reconstructed CQCA and Gregory Coal joint ventures, which will be managed by a wholly owned subsidiary of BHP. This investment in the world's premier coal mines should contribute significantly to earnings following the completion of the acquisition of the Utah Group of Companies from General Electric Company of USA planned to take place on April 2, 1984.

International mineral interests of BHP will be significantly expanded by the purchase of a number of attractive operating mines producing steaming coal and copper, together with undeveloped resources and exploration prospects, as part of the Utah acquisition.

There is evidence to suggest that the Bell Resources offer is a step in a plan which if successfully carried through would substantially change the character of Australia's largest company, BHP. I am convinced this would not be in the interests of the BHP shareholders. Your directors strongly advise you to reject the tender offer totally.

The company has 99 years of successful business operation and of rewards to its shareholders. The prospects now ahead of BHP are exciting. We look forward to your continued shareholding in Australia's leading company.

Yours faithfully,

JAMES C. MCNEILL

UK COMPANY NEWS

Marchwiel ahead to £19.5m on wider engineering base

THE WIDENING of the civil engineering sector of Marchwiel is reflected in an increase in pre-tax profits to a rerord £16.52m for the year to October 31 1983 against a restaled £15.93m, says Mr Alfred McAlpine, chairman.

He adds that the results, on a record turnover of £301.3m, compared with £243.24m, were achieved during world recession in construction, which remains the foundation of the bolding company's business.

Earnings per 25p share advanced from 24.7p to 33p. In view of the higher profits and "substantial" liquid resources—at £36m—the total dividend is increased for the fourth successive year, rising from 7.5p to 9p. The final payment is being increased from 4.6p net to 6p.

For the first time, the results include a contribution from the Finlas group. The chairman says this has performed successfully and, as expected, the group's expertise in bousing and property developmant has been strengthened. He says the outlook for private housing rontinues to be encouraging and the group is investigating oportunities overseas.

The results also reflect cbanges in acrounting policy which effectively increased 1983 taxable profits by £1.4m and 1982 profits by £2.2m. The new standard accounting policy relates to foreign currency transactions.

The restating of 1982 profits follows a decision to treat the sbareholding in Optimum Collieries (Proprietary) as a related company rather than as an investment.

In the UK, both turnover and profits in the ronstruction companies increased sligbty in 1983. Mr McAlpine does not expect much change in their turnover in 1984, although profits could advance. Overseas, prospects for fresh orders are "less encouraging," bnt the elimination of loss-making contracts could lead to a profit.

He says the group is in a strong position and he is hopeful that overall results for the current year will show further improvemant.

Pre-tax profit was struck after charging: directors' emoluments £582,000 (£395,000); depreciation of fixed assets £9.14m (£7.84m); auditors' fees £288,000 (£210,000); bank and short-term interest £1.62m (£841,000); hire of plant and machinery £11.22m (£9m).

The tax charge was £7.45m (£6.84m). Minorities took £360,000 (£515,000) and there was a £5.84m extraordinary charge, representing goodwill on the acquisition of Finlas.

● **comment**

Marchwiel has lately been looking increasingly like an investment trust with a sideline in contracting and construction. The process now seems to be reversing itself. Investment income and asset sales account for only 39 per cent of pre-tax profits this time, against 58 per cent the previous year, and pre-interest margins on the business proper are np from 2.7 per cent to an admittedly still meagre 3.9 per cent. Partly, this is due to tbe Finlas acquisition, which on 10 months consolidation made £2m after financing costs. But the main construction business is well ahead, having made £8.5m on £213m of turnover, and profits from mining and extraction are £0.3m ahead at £4.7m. At this flat atage in tha construction cycle, cash flow is still very positive, with the £8m casb spent on Finlas having been almost wbolly recouped already. This year, progress is looked for in bousebuilding and overseas construction, and if other areas bold up a pre-tax figure of £22m looks possible; this puts the sbares on a prospective multiple of a little over 6 at 230p (up 4p). The casb pile is a useful underpinning, and is certainly producing a better return than is in immediate prospecl for the rest of the business.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Commercial Union	6.95	May 17	6.95	11.8	11.6
Adams & Gibbon	3.75	April 27	3.38	5.25	4.63
Anglo-Intnl Inv	4	April 6	3.4	6.5	5.6
AI	nil	—	0.01	nil	0.01
Bath & Portland	3.5	April 4	3.5	6	6
T. F. & J. H. Braime ...	2	April 27	2	3.5	3.5
Eleco Holdings ......int.	1	May 9	0.91*	—	3.18*
Marchwiel	6	April 4	4.6	6	7.5
Throgmorton Sec. ...int.	1	April 5	0.61	—	2.79
Tst. of Guernsey	3.9¶	May 6	3.5	6	5.6

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rigbts and/or acquisition issues. ‡ USM slock. § Unquoted stock. ¶ Gross throughout.

Exco seeks to form stockbroker

Exeo International, tha money broker and financial services group, is to apply to the Stock Exchange in the next few weeks to gain permission to form a stockbroking firm, which will be based on the London Stock Exchange, and in which Exco intends to hold a 29.9 per cent stake.

Under present rules, firms which are not members of the Stock Exchange are only allowed to hold a 29.9 per cent stake. Although Exco has held talks with Edinburgh-based stockbroker, Wood Mackenzie, and James Capel, with a view to forming links, thesa talks have broken down.

Now Exco has decided to go it alona in establishing a dealing operation in securities in London. Mr John Gunn, the group's managing director, said in Hong Kong yesterday that it intended to form a new stockbroking firm, recruiting stockbrokers from other firms in London.

The new firm will be formed around two people drawn from the London sales operation of W. I. Carr (Overseas), the Hong Kong stockbroking arm which Exco acquired from Carr Sebag, the stockbroking firm.

Exco said that it was also looking at two fund management groups in the U.S., one of which it hoped to acquire.

If Exco forms its new stockbroking arm in London it will be following the example of Prudential-Bacbe, which recruited two senior people from stockbroker James Capel to form the basis of a new firm in which it took a 29.9 per cent stake.

Eric Short examines the poor fourth quarter results from Commercial Union

Heavy U.S. losses call halt to recovery

POOR RESULTS in the fourth quarter last year, particularly in the U.S., brought to an end the mild recovery achieved in the previous nine months by Commercial Union Assurance Company.

Indeed the company injected a further US$50m into strengthening the reserves of its ailing U.S. business, thus swelling world wide underwriting losses to a record £314.2m against £371.5m in 1982 and slashing pre-tax profits by half from £21.5m to £9.3m.

A substantially higher tax charge of £17.7m against £7.7m exacerbated the situation, so that CU recorded an operating loss for the year of £8.1m against a profit of £13.8m in 1982.

However, realised investment gains of £30.1m last year lip the scales back so that shareholders had an attributable profit for 1983 of £22m against £99.9m in 1982. Shareholders funds remained static at £1.05bn.

The company is maintaining the final dividend at 6.95p a share resulting in an unchanged total dividend for the year of 11.8p. Mr Sandy Marshall, chairman of CU, justifies the maintainance of the dividend payment on the nnderlying strength of the halance sheet, the improvement in results outside the U.S. and the greater measure of security that had been achieved for an improvement in results for 1984.

Worldwide non-life premium income rose last year by 4 per cent in sterling terms from £1.61bn to £1.68bn, but after allowing for changes in the rates of exchange there was a slight fall in real terms in premium income compared with an 8 per cent growth in 1982.

Investment income growth last year was also sluggish, rising 6 per cent from £236.1m to £235.4m, with an underlying growth of only 2 per cent against 16 per cent in 1982. Indeed the group had to thank a £7.7m rise in life profits to £55.8m to show more than a nominal pre-tax profit last year. The group is now putting far more emphasis on expanding its life and pension business worldwide, including the U.S.

Business in the U.S., which accounts for almost half of the group's non-life business, went through a traumatic period in 1983. To start with, it was bit by several major catastrophes last year, including hurricane Alicia, which cost £7m, and the "El Nino" inspired severe weather in December which cost more than £5m. Overall CU claim that weather losses in 1983 were at an even higber level than in 1982.

Second, there bas been no respite from the intense competition for business in rommerciel lines in the U.S. and CU is slill heavily orientated towards rommercial business despite all its efforts to expand its personal lines.

Even so, the U.S. account was sbowing an lmprovement overall in both the fourth quarter and the whole year. Underwriting losses on normal trading in the fourth quarter were $70.1m against $98.6m in the fourth quarter of 1982—the delerirator in commercial business being more than offset by slgnificant improvements in personal husiness and special underwriting.

The full-year's figures also showed an underwriting improvement from a $305.9m loss to a $270m loss, with poor commercial figures and better results on the other lines.

But the U.S. insurance industry is still in a critical condition and there is a general review by meny lnsurance groups of their reserving position.

CU pumped a further $50m to strengthen its US. loss reserve. This payment reversed the improvement so that nnderwriting losses for the fuorth quarter and the whole year rose to $120.1m and $320m respectively.

The claims ratio overall for 1983, including this special provision was 89.4 per cent compared with 86 per cent in 1982, while the expense ratio remained static at 34.5 per cent. Tha operating ratio for 1983 was 123.9 per cent against 120.5 per cent in 1982.

CU has also made a special reinsurance arrangement with North American Re, a subsidiary of Swiss Re, whereby it has bought payment for future linbilities of $200m for a premium of $98m. This is a procedure that effectively discounts future loss reserves.

It hase no impact on the trading results, but it does enable CU to strengthen its reserves by a further $100m as the loss of soma £6-£7m of investment incoma each year. Reserves have haen strengthened by 18 per cent over 1982.

The group claim that its U.S. operations, under Mr Tony Brend, are showing an underlying improving trend and there was a greater improvement in 1983 than appeared from the results. However, the rationalisation on retrenchment taking place cut back non-life premium income by 6 per cent, against an 6 per cent increase in 1982.

The U.S. picture bas tended to overshadow CU's results in the rest of the world, which the mangement claim is satisfactory.

However, the strong recovery in Canada also came to a shuddering balt in the fourth quartar amid the Arctic weather. A fourth quarter underwriting loss of C$7.7m against a loss of C$1.3m in the fourth quarter of 1982 trimming the overall recovery for the year to a loss of C$5.4m against a los of C$15.6m.

The motor account turned round completely in the final quarter with a C$10.6m loss eating up the small profit of the previous nina months. Premium income feli 8 per cent in the final quarter so that overall premium income for the year just nudged ahead from C$249.3m to C$250.2m.

The UK showed an overall premium growth in non-life business of 9 per cent to £503.7m. Tha deterioration in commercial business was arrested last year, but the early promise of an improvement in domestic classes was not sustained, partly because of tho adverse weether in December of last year.

Underwriting losses were higher on both personal, commercial and inward reinsurance business, offset by ap rofit on marine and aviation. Overall underwriting losses improved marginally from £44.8m to £43.8m.

CU's motor account in the UK saw underwriting losses nearly triple from £1.2m to £3.3m and the group put up its motor insurance premiums at the beginning of 1984.

Lifeprofi ts increased worldwide, the underiying growth allowing for exchange rates being 11 par cent.

Disposal provisions hit Bath and Portland profits

PULLED DOWN by losses attributable to civil engineering disposals and the medical scanner project, Bath and Portland Group finisbed the year to October 31 1983 with lowar taxable profits of £2.07m against £3.86m. Sales were £86.23m compared with £89.43m.

Excluding losses and sales attribntable to disposals, but after interest, profits from continning businesses totelled £4.24m against £5.29m on sales £6.56m higher at £73.19m.

At the interim stage, gronp taxable profits were £163,000 (£1.78m) with sales at £42.02m (£41.76m).

The underlying divisional results, the directors state, are satisfactory with strong advances in minerals and agriculture.

However, e good performance by Instrumentation was affected by poor results from heat regenerators and textile machinery. Though not up to last year's contribution which was exceptional, the reorganised construction division traded satisfactorily.

The outlook for the current year indicates that satisfactory progress sbould be made, the directors say.

A divisional breakdown of sales and profits sbows (in £m): minerals £23.1 (£19.6) and £2.28 (£1.7); construction £27.39 (£25.89) and £1.05 (£2.5); agriculture £14.48 (£12.25) and £1.29 (£0.3); instrumentation and engineering £8.06 (£8.69) and £0.53 (£0.67).

Losses attributable to disposals and the medical scanner project were £2.17m (£1.44m) and £686,000 (£15,000) respectively. Interest payable was £349,000 (credit £68,000).

The final dividend is held at 3.5p net per 25p share for an unchanged total of 6p.

There was a tax credit of £99,000 (charge £1.27m), leaving net profits at £2.17m (£2.59m) equal to earnings per share of 11.2p (13.37p).

Extraordinary items took £1.5m (added £101,000) and dividends will ebsorb £1.18m (same).

● **comment**

Bath & Portland's profits decline was heralded well in advance at the interim stage, so the shares only feli 1p to 151p, where the historic yieid is 5.7 per cent. The costs of withdrawing from civil engineering are now at an end, and it looks as if the low-cost body scanner may at last be near the commercial production stage after its five-year development. B & P is now actively seeking a partner for Meditech. The bulk of profits came from minerals, where productivity improvements from earlier capital spanding are beginning to feed through. Last year, the group spent £5.6m on new quarrying plant, mainly et Penmaenmawr on the planned route of the A55, and plans to spend a further £5m in the current year. The disposal of heat regenerators and the turnronnd now taking place at the re-organised SPT textile machinery company should eliminate £400,000 of losses this time. The absence of civil engineering losses plus the first full contribution from a clutch of new acquisitions by KDG instrumentation could lift the full-year result to £5.5m pre-tax, putting B & P on a fully taxed multiple of just under 11.

SBL renews Canon copiers agreement

Fears that Southern Business Leasing might suffer a setback from the ending of its distribution rights for Canon copiers next year were dispelled yesterday with the signing of a new five-year agreement.

Southern has completed an agreement with Canon (UK) for the non-exclusive distribution rights of Canon copiers in London, Surrey, Sussex and Kent. The agreement replaces an earlier one due to expire January next year.

The company, which came to the Unlisted Securities Market last summer, is the largest independent operator of Canon machines in the UK. Canon has over 20 per cent of the market for new machines.

The signing of the new agreement follows the recent completion of the acquisition of Sussex Reprographics, a company providing photocopier services to 600 customers in southern England.

Scottish Northern £11m placing

Brokers Laing & Cruickshank have placed £11m of debenture stock in Scottish Northern Investment Trust as part of the £21½m takeover of three private investment companies announced three weeks ago.

The placing was of an 11⅛ coupon stock priced at par and dated March 2009. The first dividend will be equal to £7.0644 per cent to September 30 1984 and the redemption yield comes out at 11.9335 per cent.

The placing between 50 and 60 institutions went well yesterday day according to the brokers. They will have place a further £10m to £11m of the same stock later when the consideration for the three purchases is finalised.

Robert Horne coming to USM via offer for sale

BY WILLIAM DAWKINS

Robert Horne Group, the largest independent paper merchant in the UK, is coming to the Unlisted Securities Market via an offer for sale.

The company is offering 1,803,900 units of capital, representing 12.5 per cent of the issued equity, at 156p per unit. Each unit comprises one 20p ordinary share and one non-voting "A" ordinary. County Bank has underwritten the offer and the brokers are Vickers da Costa and Phillips & Drew.

At the offer for sale price, Robert Horne is capitalised at £22.5m. Net tangible assets are given as £11m, equivalent to 76.5p per share.

The group buys paper from mills in the UK and Europe and sells it to printers throughout the UK and Ireland. In the year to September 30 1983 it made £4.09m pre-tax on turnover of £86.04m, against £3.23m on sales of £73.17m in the previous year. Apart from a downturn in 1979-80, profits bave risen steadily for the past seven years.

The directors propose to recommend a dividend of 2.46p net per ordinary share for the year to September 1984, which represents a gross yield of 4.5 per cent at the offer for sale price. This dividend would have been covered 3.2 times by after-tax profits for the year to last September.

After the sale, 52 per cent of the voting shares will be in the hands of the Horne family. Applications close next Tuesday and dealings are expected to start on March 8.

● **comment**

It is hard to see why Robert Horne is paying £300,000 to come to the USM. The family shareholders are so keen to retain their voting control that they have stuck with the dual share structure and its non-voting equity inherited from an earlier capital reconstruction. This is not exactly calculated to whet investors' appetites—a fact implicitly recognised in the price, which puts the shares on a multiple of only 8.6 on stated actual tax earnings. Neither is this a get-rich-quick exercise, since the Horne family is parting with nothing and in any case would have preferred to go to the full market if more shares were available for sale. Moreover, the group apparently has no plans to use its equity for acquisitions, wishing instead to pay with cash as in the past. Horne's argument is that a quotation will help it consolidate its position in paper merchanting, where it has a 15 per cent share of the higher quality end of the market, and assist the introduction of a staff share participation scheme. A less well established company without Horne's solid profits record might have found it more difficult to sail on to the market with its independent structure intact.

Throgmorton Secured lifts net asset value

An increase of 51.9p to 301.8p in the net asset value per £1 of capital loan stock was achieved by Throgmorton Secured Growth Trust in the six months to January 1 1984.

Gross income for the period was £20,000 higher at £393,000. After expenses and interest of £193,000 (same), pre-tax profits emerged at £200,000 against £180,000.

To reduce disparity the interim dividend is lifted from 0.6125p to 1p net. The directors expect to at least maintain last year's total payout of 2.7875p.

Tax for the period took £63,000 (£55,000), after which earnings per 25p share were 1.37p (1.25p).

Anglo-Intl. earnings rise to £581,000

Anglo-International Investment Trust's net asset value per 25p share rose from 442p at June 30 1983 to 472.13p at December 31. At the end of 1982, the figure stood at 372.35p.

The final dividend is raised from 3.4p to 4p net for an increased total of 6.5p compared with 5.6p.

Pre-tax earnings in 1983 rose from £553,362 to £581,573, and there was a tax charge of £208,373 against £198,349. A transfer of £165,000 from contingency reserve was made—last time there was a transfer to contingency reserve of £1,013.

Public Works Loan Board rates

Effective February 22

Years	Quota loans repaid by EIP†	Quota loans repaid At*	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid At*	Non-quota loans A* repaid at maturity§
Up to 3	9¾	9¾	10	11	11	11⅛
Over 3, up to 4......	10⅛	10	10¼	11⅛	11⅛	11⅜
Over 4, up to 5......	10¼	10⅛	10⅜	11¼	11⅛	11⅜
Over 5, up to 6......	10⅜	10¼	10½	11⅜	11¼	11½
Over 6, up to 7......	10⅜	10⅜	10½	11⅜	11⅜	11½
Over 7, up to 8......	10½	10⅜	10½	11½	11⅜	11½
Over 8, up to 9......	10½	10½	10½	11½	11½	11½
Over 9, up to 10......	10½	10½	10½	11½	11½	11½
Over 10, up to 15......	10½	10½	10½	11½	11½	11⅜
Over 15, up to 25......	10½	10½	10⅜	11⅜	11⅜	11¼
Over 25	10⅜	10⅜	10⅛	11¼	11¼	11

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Eagle Star achieves improvement in its Sth. African results

BY OUR JOHANNESBURG CORRESPONDENT

South African Eagle, the short-term insurance company which is 58.5 per cent owned by Eagle Star Insurance, improved its underwriting performance in 1983, but remained dissatisfied with the state of the short-term insurance industry.

Gross premium written increased from R166.5m to R181.3m (£102.4m), while the underwriting surplus rose to R3.5m (R1m).

The managing director, Mr Fred Haslett, says that though the underwriting performance improved, unhealthy competition was still being experienced for large industrial and commercial risks.

He adds thet a large proportion of underwriting losses was borne by international re-insurers for the third year running, but warned that this could eventually lead to difficulties in obtaining re-insurance.

Mr Haslett further warns that 1984 seems to be following the same pattern as last year with a series of natural disasters. He believes that the only solution to this is a return to what he describes as sensible underwriting and elimination of unhealthy competition.

In contrast to the difficulties in the underwriting business, South African Eagle's investment income is buoyant due to an increase in funds available for investment and high prevailing interest rates.

A total dividend of 60 cents is declared from earnings of 125.3 cents a share. In 1982, earnings were 89.8 cents a share with a total dividend of 50 cents.

Yearlings total £21.7m

YEARLING bonds totalling £21.65m at 9¾ per cent, redeemable on February 27 1985, have been issued this week by the following local authorities.

Aylesbury Vale District Council £0.5m; Bromsgrove DC £0.5m; Lothian Regional Council £1.0m; Nottingham (City of) £1.5m; High Peak (Borough of) £0.5m; Mole Valley DC £0.25m; Newham (London Borough of) £0.5m; Wellingborough DC £0.25m; Metropolitan Police District (The Receiver for the) £0.5m; West Glamorgan County Council £1.25m; Brighton Borough Council £1.0m; Glasgow (City of) DC £3.0m; Lambeth (London Borough of) £1.0m; Hillingdon (London Borough of) £0.5m; Solihull (Metropolitan Borough of) £0.25m; Thamesdown (Borough of) £1.0m; Oldham Metropolitan BC £2.0m; Sefton MBC £1.5m; Tameside MBC £1.0m; Tendring DC £0.5m; Newport BC £1.0m; Preston BC £1.0m; Vale Royal DC £0.25m.

COMPANY NEWS IN BRIEF

Pre-tax profits of T. F. & J. H. Braime (Holdings), specialist in deep drawn press work, edged ahead by £12,000 to £170,000 over the 12 months ended December 31, 1983, on turnover of £2.93m, compared with £2.9m.

Earnings improved by 1p to 4.63p per 25p share, but a same-again final dividend of 2p holds the net total at 3.5p.

Trading profits totalled £70,000 (£54,000) before taking in investment income of £99,000 (£104,000). Tax took £81,000 (£93,000). There were extraordinary credits last year of £52,000.

After six months, the group was £12,820 behind at £52,985 pre-tax. On a CCA basis taxable profits for the full year amounted to £92,000 (£31,000).

* * *

Daejan Holdings, the property investment and trading group, lifted pre-tax profits from £2.78m to £3.15m in the half year to September 30 1983.

Surplus on sales of properties and other income rose by £1.43m to £4.64m and rent and service charges, less property outgoings, increased to £2.96m, against £2.48m. Financing charges and other expenses fell from £2.91m to £2.45m.

Tax charge was higher at £2.1m, against £1.15m, and there were also minority interests of £10,000 (£15,000). Earnings per 25p share climbed from 9.92p to 18.63p.

Last month, the company announced an increased net interim dividend of 2.875p (1.925p) which was intended to reduce disparity between interim and final payments.

* * *

The rationalisation programme at Shaw & Marvin, merceriser, dyer and knitwear manufacturer, continued throughout the six months to September 30, 1983 and resulted in reduced losses for the period.

On a lower turnover of £229,699, against £741,761, pre-tax losses were cut to £62,366, compared with £211,356 which was after an insurance loss provision of £15,000 and £34,679 reorganisation costs.

James Ferguson & Co (Knitwear) has had considerable difficulties exploiting the buoyant markets due to supply difficulties and the pressure created by shortage of working capital. But despite these difficulties, the company is trading more profitably than 12 months ago.

The board is actively pursuing new opportunities for the group and will be making an announcement as soon as current negotiations are concluded.

* * *

A further advance in profits was made by Adams and Gibbon in the second half, resulting in a £283,000 improvement in full year taxable profits to £624,000.

Sales of this garage proprietor, motor dealer and motor engineer expanded from £26.25m to £32m. Profits at the interim stage were £281,000 (£136,000) on sales of £15.8m (£12.96m).

New car sales have started reasonably well in the current year, the directors state, although used car activities remain less than buoyant. They point out that the hoped-for improvement in commercial vehicle sales appears to be "very slow" to materialise.

Following a higher interim dividend, the final payment is lifted to 3.75p (3.575p) for a total of 5.25p (4.625p).

Pre-tax profits were struck after interest payable little changed at £339,000 (£326,000). Tax charge was £93,000 (£19,000).

* * *

The net asset value per 50p ordinary share of Investment Trust of Guernsey increased to 144p at December 31 1983, compared with 115.3p the previous year.

The final dividend is 3.9p gross (3.5p), giving a total payment of 6p (5.5p). There is the option of receiving ordinary shares in lieu of cash. Revenue after tax amounted to £684,000 (£680,401).

Eleco up 18% to £761,000 at halfway

PRE-TAX profits of Eleco Holdings, construction, engineering and property group, rose by 18 per cent from £642,000 to £761,000 in the half year to December 31 1983. Turnover improved by 19 per cent to £10.62m and order books at the end of the period were considerably better than a year earlier.

Once again rental income played a significant role and income from this source is expected to continue rising throughout the year. Net rents and interest received in the period amounted to £316,000 (£262,000).

Mr Frank Webster, the chairman, says that although the results were very satisfactory, one or two elements of the group still have to fully adjust themselves to changing market conditions.

However, with good order books and an increasing rent roll, be says it is not difficult to forecast that this year the group will have returned to the path of growth as envisaged in the last annual report.

"The success of new products and services currently being exploited will determine how far we travel on this path."

The net interim dividend is effectively being raised by 10 per cent from 0.909p to 1p per 10p share—last year total payments were equivalent to 3.182p after adjusting for the one-for-10 scrip issue.

AI losses cut sharply to £0.28m

PROGRESS MADE in stemming losses, particularly in the second six months, enabled AI Industrial Products to cut its deficit sharply over the full 1983 year.

And for the current 12 months the directors, headed by Mr J. Briggs, the chairman, forecast the group will return to profit.

They point out that early trading results support this confidence with order books 30 per cent higher than last year and a significant increase in production activity.

However, because of the heavy total losses and the need to conserve cash resources the preference and ordinary dividends for 1983 are being omitted—a nominal 0.01p was paid on the 25p ordinary, last year.

Turnover for the past year declined from £15.01m to £13.56m but at the pre-tax level the group cut its losses by £182,000 to £282,000. The second-half deficit emerged at £80,000, compared with £180,000 previously.

The directors say that in the last quarter of the year small but regular profits after interest were made. They add that this was significant as, during the last three years, the group, a manufacturer of domestic, electrical, industrial and technical ceramic products and cast, forged and febricated metal products, had not previously achieved two consecutive months of profit.

Below the line, corrective action pushed extraordinary charges up sharply and left the group £1.68m (£1.04m) in the red at the attributable level.

It is pointed out that rationalisation and cost reductions were an inevitable consequence of four years of losses.

However, the very high cost of this corrective action by way of extraordinary write-offs to the group's reserves is now complete and there are unlikely to be any further charges in 1984—extraordinary debits for 1983 totalled £1.4m (£543,000) and were closure and rationalisation charges.

The directors say plans are well in band to resbape the structure of the group. Thia should result in an injection of additional funds for working capital and "modest" capitel expenditure on current profitable trading ectivities and the provision of funds for potentiol acquisitions.

Interest charges for 1983 were reduced by £105,000 to £366,000 but other net operating expenses rose marginally from £2.2m to £2.22m.

Tax eccounted for £4,000 (£13,000) and loss per share amounted to 2.93p (5.11p).

Oo a current cost basis pre-tax losses were £501,000 (£866,000) and loss per sbare was 5.2p (9.2p).

BIDS AND DEALS IN BRIEF

The Secretary of State has given his consent to proposals for the transfer of Weekend Plus, e free local newspaper owned by MMS Publications, to P. & H. Publications, e joint venture company owned equally by International Publishing Corporation and Visitor Publications. Weekend Plus incorporates the Watford Plus and the Leighton/Dunstable Plus. Certain assets of the newspapers are owned by MMS and are also to be transferred.

* * *

Slough Estates' offer to acquire Allnatt London Properties and the capital of Guildhall Property Co not owned by Allnatt have closed. Acceptances have been received in respect of 39,753,013 ordinary (99.35 per cent) in Allnatt and 3,572,826 (58.57 per cent) in Guildhall. Acceptancea of the Guildball offers, together with the ordinary in Guildball owned by Allnatt, amounted to 5,972,826 (97.92 per cent). Slougb will acquire the outstanding shares in both companies in due course, other than the 4.2 per cent cumulative preference not owned by Allnatt.

* * *

Cookson Group has disposed of 38 per cent of Waldies, previously a subsidiary of Cookson in India. As a result, the shareholding has been reduced to 26 per cent and Waldies will in future be treated as an associate of Cooksoo.

* * *

Dunton Group announced a second joint-venture with Harman (Chesham). Arrangements have been made to acquire for development a freehold retail and office site in Chesham, Bucks.

The £900,000 offer has been accepted by the vendors, who received a 10 per cent deposit. Purchase is due to be completed three months after exchange of contracts.

* * *

Hollis Bros ESA has completed the acquisition of Metalliform.

The Pergamon Press holding of Hollis ordinary shares remains at 51,535,165 shares (82.14 per cent) of the enlarged capital.

* * *

Bellman Computing a computer services company based in Huddersfield, has purchased Mentor Franklin in Manchester. Mentor Franklin was a data preparation bureau servicing the north west data processing industry. Mentor Franklin will now be known at Bellman Computing and the Manchester site is being expanded, new equipment installed and 40 vacancies have been registered. Bellmans is engaged in high volume low cost data preparation, file creation, mail list computerisation and management, laser printing and data processing contract staff recruitment.

* * *

Lazard Bros, an associate of London Brick, bought on February 20, 1984, for its own account, 50,000 London Brick ordinary shares at 162½p.

* * *

United Transport International, the transport arm of BET, has sold its subsidiary, Railhead Services in a management buy-out by two of its directors.

More Bids and Deals Page 28

Frederick Parker warns on dividend

FOR THE current year at least, and certainly for the first half, the Frederick Parker Group is expecting e continuance of poor results, says Mr Kenneth Parker, the chairman, who warns that an interim dividend must be in question.

As already known, the group—a manufacturer and supplier of construction equipment—plunged from £3m profits to pre-tax losses of £1.5m in the year ended September 30 1983. The final dividend is being cut by 2p to 1.5p net for a lower total of 3p (5p) net per 10p share.

The company's shares are traded in the market made by Granville and Co.

Mr Parker says the overall international trading scene remains very uncertain. There is at present no indication that there will be an early improvement in the level of demand from the majority of the company's overseas markets.

The group's planning and cost reduction in the manufacturing companies is based on this lower level of activity persisting beyond this year.

Looking to the medium and long-term future, however, the chairman believes that the industry served by the group is an enduring one. Also by continuing to take whatever action may be necessary, Parker will be in good condition to participate fully in any recovery in the construction world.

BIDS AND DEALS

Valor in £5.8m bid for Dreamland

BY CHARLES BATCHELOR

Valor, the gas heater and cooker manufacturer, is bidding £5.77m in shares for Dreamland Electrical Appliances, the Southampton-based maker of electric blankets and fire detection equipment.

Dreamland said yesterday it was considering the terms of the offer and would be advising shareholders what action to take in due course. Valor already holds 29.9 per cent of the Dreamland equity, most of it bought in one chunk at the end of last month.

Valor said Dreamland was a natural expansion of its own development of the quality branded household goods market. In recent years Valor has extended its range to include fitted kitchens and split level gas and electric cookers. Dreamland's products would benefit from Valor's marketing skills and international sales connections, it added.

Valor is offering five of its own 25p shares for every 21 10p Dreamland shares. Valor's shares fell 2p to 113p yesterday to value each Dreamland share at 26.9p—2.1p below Dreamland's unchanged share price.

Valor's advisers, Hill Samuel, will underwrite a cash alternative worth 25p per Dreamland share. Full acceptance of the share offer would involve the issue of up to 3.9m new Valor shares or 18 per cent of its enlarged equity.

Valor accompanied its bid with a forecast of pre-tax profits rising 41.5 per cent to not less than £3.75m in the year ending March 31 1984.

The company intends to recommend a final dividend of 2.926p which, together with the interim of 1.074p, takes the total dividend to 4p against an adjusted 3.45p in 1983.

Dreamland made a pre-tax profit of £294,000 in the nine months ended September 30 1983 compared with a loss of £251,000, including a fire insurance credit of £227,000 shown as an exceptional item, in the corresponding period. Turnover rose from £5.14m to £6.05m.

Valor made pre-tax profits of £1.35m in the six months ended September 30 1983 compared with a profit of £772,000. Turnover rose from £24.5m to £34m.

Lon. Brick bringing forward dividend

By Ray Maughan

London Brick, publishing the final stage of its defence against the £247m bid from Hanson Trust, promised yesterday that it would be bringing forward dividend payments for 1983.

It said that the interim dividend for 1983 was paid three months earlier than usual but, because current trading was buoyant and the first two months of the current year were 10 per cent ahead of budget, a second interim, payable in April, would replace the final which would otherwise have been paid in July.

London Brick shares dropped 2p to 160p against Hanson's cash offer price of 165p but Mr Jeremy Rowe, chairman of London Brick, contended in a letter to shareholders that the price "is given massive support by the dividend yield." This is 7.15 per cent prospectively which offers a substantial premium to the industry and FT Actuaries Industrial Group indices.

Hanson also had something to say yesterday in pursuit of its bid, which offers a 175p convertible loan stock alternative worth 180p per London Brick share.

The bidder now owns 29.9 per cent of its target's equity, largely acquired from "willing sellers" at the end of last week.

Lord Hanson, chairman of Hanson Trust, told London Brick shareholders of the conversation he held with Mr Rowe in October 1983 when the bidder first revealed a near 10 per cent holding in the fletton brick manufacturer.

He said yesterday: "I suggested to Mr Rowe that we should merge London Brick and Butterley," Hanson's wholly specialist facing brick manufacturer. Lord Hanson added that Mr Rowe totally resisted this approach despite his desire to "create a strong British brick industry."

While Lord Hanson pondered the cause of this resistance, Mr Rowe's recollection of those events four months ago was somewhat different. "A merger was contemplated," the London Brick chairman said, "and we were prepared to offer cash for Butterley."

However, Lord Hanson was only prepared to deal on the basis of an equity exchange and, although the price was never determined at that brief meeting. London Brick was convinced that Hanson would have taken a substantial stake in London Brick as a result, subjecting the brick supplier to a "creeping takeover" as a result.

Costain acquiring Burmah process plant subsidiary

BY DAVID DODWELL

Costain, the construction and development group, has acquired from Burmah Group its wholly-owned subsidiary Burmah Engineering Services for an undisclosed sum understood to be between £5m and £10m.

The purchase forms part of a major rationalisation by Costain of its process contracting area, and brings together a group expected to have a turnover of about £100m, and employing 1,000 people.

Costain is acquiring through the deal four operating companies which make up Burmah Engineering—Petrocarbon Developments, a telecommunications division, a food projects division, and Burmah's 50 per cent stake in Polibur, a joint venture operation with Polimex of Poland.

They will be consolidated with Costain's own process plant operations, to make a new holding company, Costain Process.

Costain said yesterday that it had been closely involved in the process contracting industry for the past 25 years, and the latest deal aimed at "broadening and increasing total capability."

Following the deal, it will be able to provide a comprehensive service of project management, engineering, construction, maintenance and industrial services in the UK and in 40 countries overseas, a spokesman said.

Its main users will be the oil, gas, petrochemical, pharmaceutical, nuclear, minerals and telecommunications industries, he said.

Petrocarbon is a project management group with technologies ranging from nuclear fuel reprocessing and air separation to enhanced oil recovery and speciality chemicals. It is close to completing management of a PVC complex in Poland.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Abingworth, Acorn Computer, B.P.M., Rumar Textiles, Saxon Oil, Tor Investment Trust.

Finals: Azronte, Goldhall Property, Imperial Chemical Industries, Jebsens Drilling, Liberty Life Association of Africa, Newbold and Burton, Padang Senang, Ronson Inc., Romney Trust, Ward Holdings.

FUTURE DATES

Interims—	
Apex Properties	Feb 27
Bracken Mines	Mar 1
Framlington	Mar 1
Joe Holdings	Feb 27
Kinross Mines	Mar 1
Leslie Gold Mines	Mar 5
Parker Knoll	Mar 5
Unigroup	Feb 29
Unisel Gold Mines	Mar 1
V. W. Thermax	Feb 29
Winkelhaak Mines	Mar 1
Finals—	
Ibstock Johnsen	Mar 29
Liverpool Daily Post and Echo	Mar 22
Taverner Rutledge	Mar 1
Unilever	Mar 6
Waterford Glass	Mar 7
Willis Faber	Mar 20

Benlox drops its offer for TMK

Benlox Holdings, the building and contracting group, has decided against proceeding with its planned acquisition of TMK Civil Engineering, the privately owned group which operates mainly in the South East of England.

Benlox first announced plans to acquire TMK in August last year. It would have paid cash and shares amounting to about £675,000 for TMK, which was founded by Mr Thomas Kelly in 1975 and in its first three years saw profits rise from £20,000 to £176,000.

Mr Michael Buckley, the chairman and managing director of Benlox, said yesterday that the change of heart followed an accountants' investigation into TMK's affairs: "Basically, Mr Kelly is a private sector entrepreneur, and the changes being considered would have had a fairly dramatic effect on the company," he explained.

"We also have new plans, because our circumstances have changed quite a lot over the past year—for the better, I might add."

In August last year, Mr Buckley pointed to three attractions in bidding for TMK: it had contracting interests which would complement those of Benlox; it had grown impressively under Mr Kelly's chairmanship; and deferred terms of the deal, which were linked to TMK's profits and reduced immediate costs to Benlox.

Mr Kelly had been keen to sell his private company because he had become aware—after a period of rapid growth—of possible obstacles to future growth.

Since August, Benlox has seen a significant turn for the better. Sales of £3.96m in the first six months of 1983 generated profits before tax of £104,000. This compared with full year profits in 1982 of £65,000 on sales of £6m. At the interim stage, Mr Buckley forecast a further substantial improvement in profits during the second half.

SHARE STAKES

London Private Health Group—Luxembourg Estate SA acquired 250,000 ordinary shares, on February 21 1984 and on each of February 2 and February 6 acquired 25,000 ordinary. Its total holding is now 300,000 ordinary shares. The company is acting in association with Medic International, International Medical Personnel and G. M. Hart and Family. The total number of ordinary in LPHG held by all of the foregoing is 1,014,490.

J. Williams of Cardiff—Wyndham Engineering's subsidiary, Wyndham Financial Services holds 400,000 shares. Wyndham Engineering now owns 460,000, bringing its total to 830,000 (12.26 per cent).

Asset Special Situations Trust—Aico Western Investments has sold 250,000 ordinary shares (2¼ per cent).

M. J. Gleeson Group—Sun Life Assurance Society has a notifiable interest in 530,000 ordinary shares (5.3 per cent).

Scottish Northern Investment Trust — The Equitable Life Assurance Society is beneficial owner of 4,637,000 ordinary (7.03 per cent).

Reliant Motors — Mintinix has purchased a further 25,000 shares, making its total holding 550,000 shares (9.93 per cent).

The Ex Lands — Following the sale of 50,000 shares, Tantar now holds a beneficial interest in 292,500 shares (6.56 per cent).

Cambrian and General Securities — The Ivan F. Boesky Corp., through its wholly-owned subsidiary Seemala Corp., has purchased 40,000 capital shares at 78p, which increases its interest (through Seemala) to 4,107,232 capital shares.

BIDS AND DEALS IN BRIEF

Agreement, in principle, has been reached for the acquisition by RTZ Metals of the entire issued share capital of Delabole from Timebay.

Timebay's issued share capital is owned as to 60 per cent by Charter, and 40 per cent by Capper Pass, a wholly-owned subsidiary of RTZ Metals.

The unaudited net asset value of Delabole at December 31 1983 was £180,000.

* * *

Stakis has agreed terms with Bass for the purchase of its interest in the Grosvenor Hotel, Edinburgh, for an undisclosed sum.

The Grosvenor Hotel, situated in Edinburgh's West End, is undergoing an extensive refurbishment programme and is due to commence trading in May, with the summer months already heavily booked.

This will be the third major Stakis hotels' acquisition in recent months, bringing its total number of hotels to 26.

* * *

Cluff Oil sold its 70,000 shares in Osprey Petroleum on February 15 and no longer owns any shares in the company.

* * *

Epicure Holdings purchased £24,500 of London Pavilion ordinary stock at 155p (approximately 18.9 per cent), making its total holding £37,800 of stock (29.08 per cent).

* * *

An associate of Marston, Thompson & Evershed, the Burton-on-Trent brewery which is considering making a bid for Border Breweries (Wrexham), has bought a total of 225,000 Marston shares in the past three days. The associate bought 100,000 Marston shares at 61p on Monday and 100,000 and 25,000 at 62p and 63p respectively on Tuesday. Marston, which holds 8.19 per cent of Border, has a competitor in the form of Forshaws Burtonwood Brewery, a Warrington-based company which has offered £9.4m cash for Border.

* * *

Sandhurst Marketing has agreed terms, subject to an accountant's investigation, for the acquisition of Office Requirements, a private company based in Bournemouth and Southampton and engaged in the marketing of office equipment. Consideration is £393,000, of which £208,000 is payable in cash and £100,000 by the issue of ordinary shares. Balance of £85,000 is payable in cash over the next five years dependent on the profits of the Hampshire/Dorset division of Sandhurst Marketing, of which Office Requirements will form a substantial part.

* * *

Negotiations are in progress with a view to the acquisition in Zimbabwe of Stewart Wrightson (Pvt) by Minet Insurance Brokers (Zimbabwe) (Pvt). The proposed acquisition agreement will be subject to the approval of both the Foreign Investment Committee and Reserve Bank of Zimbabwe, and in the interim, a formal management agreement will be concluded in terms of which MIB will manage the affairs of SW Pvt.

Clients of S W Pvt will continue to receive insurance services from the directors and staff of S W Pvt who are joining MIB. The acquisition will have only a minimal effect on the company's results and assets of both Stewart Wrightson Holdings and Minet Holdings.

* * *

The United States Debenture Corporation along with the Northern Securities Trust and the United Kingdom Provident Institution have acquired the interests in GT Management previously held by Mr R. C. Thornton and his family trusts.

* * *

Lovable has acquired Balance Maternities, a manufacturer of maternity/nursing bras with factories in Ilford and Thetford. The acquisition is part of the development plans of the new Lovable company formed in March 1982, which markets fashionable bras, co-ordinated sets and swimwear.

* * *

Midland Bank Industrial Finance has taken a 27 per cent equity stake in Nimbus Records to assist with the building of the first compact disc manufacturing plant in the UK. The plant, only the second in Europe, will be housed at Nimbus Records' "Wyastone Leys" site near Monmouth.

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	■ J. Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered ‖	9 %
Castle Court Trust Ltd.	9½%	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	9 %
Choulartons	10½%	United Mizrahi Bank	9 %
Citibank Savings ¶	10½%	Volkskas Intnl. Ltd.	9 %
Clydesdale Bank	9 %	Westpac Banking Corp.	9 %
C. E. Coates	9½%	Whiteaway Laidlaw	9½%
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank *	9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 8%. Fixed rate 12 months £2,500 9%. £25,000 12 months 8.5%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

MINING NEWS

Petranol offer for sale well received

The offer for sale of 2.8m shares in Petranol has been over-subscribed 7.3 times. The offer of stock in lhe oil and gas exploration and production company attracted over 7,100 applieations for 20.34m sbares, or cheques for £25.4m for a £3.5m issue.

Some 32,000 sbares heve been allotted to the non-executive directors and the balance is treated to a basis of ellotment as follows: Applications for 200 shares go into a ballot for 200 shares; applieations for 400 to 1,000 shares—ballot for 300; 1,500 to 4,500 shares—ballot for 500; 5,000 lo 9,500—ballot for 1,000; 10,000 to 25,000—ballot for 2,500; 30,000 to 50,000—ballot for 5,000; 55,000 to 95,000—ballot for 10,000; 100,000 to 240,000—ballot for 35,000; applications for 250,000 shares and over—ballot for 50,000.

Letters of eceeptance and regret shonid be posted on February 27 for dealings starting on February 29.

City of Dublin Bank £2.3m acquisition

City of Dublin Bank, through a wholly-owned UK subsidiary company, has acqnired Industrial Funding Trust (IFT), a subsidiary of Aitken Hume Holdings, for £2.3m cash.

IFT is a lieensed deposit taker, based in the City of London. It is an old-established finance company specialising in industrial and commercial instalment credit. Gross assets exceed £4.3m and net assets at December 31 1983 were £2.1m. Over 90 per cent of the assets at date of acquisition are represented by cash.

"This is the first UK acqnisition by City of Dublin Bank," said the chairman, Mr Thomas Kenny. "It is our intention to develop and enlarge the activities of IFT." Gross assets of City of Dublin Bank at September 30 1983 were I£140m.

Mr Kenny will be chairman of IFT, and Mr Roy Wood, the director presently managing the company, will cootinue in office and be appointed managing director.

Riozim swings back into profit: dividends resumed

BY KENNETH MARSTON, MINING EDITOR

AFTER having suffered a net loss of Z$6.65m (£4.1m) in 1982, the Rio Tinto-Zinc group's 58.4 per cent-owned Rio Tinto Zimbabwe (Riozim) has made a net profit in 1983 of Z$5.8m. The company is returning to the dividend list with a payment of 5 cents which is more than five times covered by earnings.

Tony Hawkins reports from Harare that the turnround reflects the closure of the loss-making Empress nickel mine al the eod of 1982 and of the base metals refinery last September conpled with increased gold output from the Renco mina and a higher average bullion priec.

Gold revenue was further enhanced in terms of Zimbabwe dollars following the 30 per cent effective depreciation of that currency.

On the other hand there was a disappointing performance at Riozim's industrial subsidiary. This ineurred a pre-tax loss of Z$203,000 compared with a pre-tax profit in 1982 of Z$1.15m.

As far as the current year is concerned Riozim takes a cautious view, pointing out thal with low prices and depressed markets for mosl of its produets immodiate prospects are "not good."

The gold price gained a further $6.25 to $394.75 per ounce in London yesterday and triggered strong demand for South African gold shares. This lifled the Gold Mines index by 25.8 to 658.2, making a rise of more than 50 points over the past three days.

Platinum issnes were also firm after a rise of $4.75 to $397 per ounce in the free market platinum price. Mr Kennedy Maxwell, managing director of South Africa's Rustenburg Platinum Holdings, said in Tokyo that demand for platinum would exceed supply this year and thal there would be a steady rise in prices. He edded that the inerease in demand would lag six moths behind an increase in that for gold.

Inco gold venture gets good results

SOME ENCOURAGING results have been reporied from a gold joint venture between Canada's loss-making nickel giant Inco aod Golden Knighl Resources. A total of 36 out of 38 holes drilled so far have eocountered gold mineralisation, with 22 of these striking gold grades above 0.13 oz (4 grammes) of gold per ton.

Ooe hole at the Casa Berardi property in Quebec Interseeted 11.3 ft of ore grading 1.02 oz gold per ton and a further 6.2 ft at 0.69 oz, Goldeo Knight said.

In a separate development, Golden Knight reported that it has negotiated a private placement with Teck Corporation, also of Canada, of 1.1m commoo shares at C$1.60 (89p) each and rights for a further 1m shares at C$2.50 for 12 months.

MINING NEWS IN BRIEF

THE IMPROVEMENT in the gold price helped Bachelor Lake Gold Mines of Canada to net profits of C$45,371 (£25,000) in the nine months to December 31, on revenne of C$9.6m.

Bachelor Lake, owned as to 55 per cent by Quebec Sturgeon River Mines, has changed its year-end from March 31 to fit in with the calendar year. In the 12 months to March 31 1983, Bachelor Lake lost a nel C$2m on revenues of C$7.7m.

Gold production in the nine-month period was 19,146 oz, produced from 122,868 tons of ore at an average grade of 0.17 oz (5.3 grammes) of gold per ton.

* * *

The small Australian gold exploration company Haoma North West plans to raise A$1m (£650,000) through the placement of 4,163,532 shares at par of 25 cents (16p) with free options attached. The options are exercisable at par between September 1 1984 and June 30 1986, and the issua price compares with yesterday's London elosing level of 22p.

McCanghan Dyson will place 2m of the shares with institutions, and the remainder will be taken up by Griffin Coal Mining, with the issue causing a slight dilution in Griffin's holding from 52.19 to 51.17 per cent.

The funds will go towards Haoma's continuing programme of exploration for gold and base metals.

* * *

Noranda Exploration has agreed to spend up to C$3m (£1.7m) on a gold prospect near Timmins, Ontario, owned by Holmer Gold Mines, Holmer announced yesterday. Noranda can earn up to 50 per cent in the property.

The exploration programme calls for C$150,000 to be spent by May 15, with C$525,000 being spent in tho first 15 months of the agreement.

* * *

Consolidated Modderfontein Mines of South Africa has authorised capital expenditure of R4.5m (£2.5m) to reopen the old No. 1 shaft in order to axploit gold-bearing ore on the Black Reef.

Production from the area is expected in start during tha second half of 1985, the company said. Modderfontein is owned hy Golden Dumps.

* * *

Pacific Copper Mines of Edmonton, Alberta, has changed its name lo Pacific Trans-Ocean Resources, in recognition of the fact that the company has no copper inlerests.

The compaoy currently has interests in tin, tungsten and gold properties in Australia and gold properties in the Yukon and Northwest Territories in Canada. Other interests are in oil and gas in Manitoba and the westorn U.S.

* * *

Three imporiant members of Canada's Falconbridge group have reported encouraging results for 1983. Kiena Gold Mines, the 57 per cent-owned gold produced in the Val d'Or district of Quebee, lifted net profits to C$5.7m (£3.2m) last year from C$3.7m in 1982.

Kiena is starting a limited drilling programme from the iee of Lac de Montigny this winter. An earliar hole encounlered 5.63 metres of ore at a useful average grade of 8.8 grammes of gold per ton.

The 50.2 per cent-owned Falconbridge Cooper has managed to reduce its loss for 1983 to C$39,000 from C$2.16m, while Giant Yellowknife Mines, owned as to 19.2 per cent, saw net profits jump from C$1.5m to C$4.2m.

Balmoral has ben working on dewatering and rehabilitating the mine since August, and the main shaft is currently being retimbered.

* * *

Australia's Kia Ora Gold has entered into a joint exploration deal with Getty Oil Development covering the Yilgarn goldfield of Western Australia.

The exploratioo programme aims to find extensions of gold mineralisation around Marvel Loch where Kia Ora's gold mining operstions are located.

Under the deal Getty is to spend A$400,000 (£261,000) within the next two years to acquire a 50 per cent stake in the joint venture.

SHARE STAKES

Willis Faber—G. W. Mackworth-Young holds a non-beneficial interest in 67,000 ordinary shares. These shares ere held in a trust of which Mr Mackworth-Young is a trustee.

Farnell Electronics — F. Wilson, managing director, has purchased 25,000 ordinary shares.

Combined English Stores—As a result of selling 857,000 ordinary shares, Norwich Union Insurance Group no longer holds a notifiable inlerest in company.

Cambridge Petroleum Royalties—Border and Southern Stockholders Trust now holds 445,000 ordinary shares (8.9 per cent) under the name of West Nominees.

Diamond Stylus—J. W. Smith, a director, has sold 30,000 ordinary shares.

Securicor Group—Disposals by directors are as follows: J. J. Delaney (beneficial interest) 275,000 "A" ordinary shares (non-voting); V. S. Gregg (non-beneficial interest) 200,000 "A" ordinary sbares (non-voting); P. A. C. Smith (non-beneficial interest) 200,000 "A" ordinary sbares (non-voting); R. S. W. H. Wiggs (non-beneficial interest) 200,000 "A" ordinary sbares (non-voting).

A. J. Worthington—M. Hartland, a director, notifies that the lotal beneficial bolding by companies in which he has controlling interests, is now 464,000 ordinary shares (23.2 per cent).

Prince of Wales Hotels—On February 16 W. Greenwell and Co as brokers to Taddale Hotels Europe, on behalf of Kuwait Iovestment Office (an associate of POW) sold 655,000 POW shares at 145p per share. Also on February 16, Greenwell on behalf of Taddale Hotels Europe effected the purcbase of 600,000 POW ordinary each at 145½p.

Moben Gronp—J. Crossley and M. Daulby, joint managing directors has acquired 400,000 shares, they now hold respectively, 554,903 shares (1 per cent of the issued sbare capital) and 625,000 shares (1.1 per cent). M. G. O'Keefe, who joined the board following the acquisition of Cold Sbield Windows bas resigned as a director.

Racal—Sir Ernest Harrison, ebairman, disposed of 55,966 ordinary shares at 195p each.

GEC—Sir Kenneth Bond sold 675,000 non-beneficial ordinary shares, by the transfer of the non-beneficial interest in the shares held as trustee.

Bula Resources — Orpheus Mining and Bula Zinc bave sold 1,200,000 and 400,000 respectively. These two companies are owned by Mr M. J. Wymes and Mr R. F. Wond and their family interests.

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This is a key position and reports direct to the Chief Executive.

The usual fringe benefits are provided.

Please reply in complete confidence to the Managing Director, Al Baraka International Limited, 14 Cavendish Square, London W1M 9DA.

KING'S COLLEGE LONDON

University of London

Appointment of Principal

The appointment of the Principal of King's College, Lord Cameron, comes to an end on 31st July 1985 and it is intended that a successor should be appointed from 1st August 1985.

The Principal is the chief academic and administrative officer of the College.

The salary is negotiable and living accommodation is provided.

King's College is due to merge in 1985 with Queen Elizabeth College and Chelsea College to form a single School of the University of London under the name of King's College London, and the person appointed to the post of Principal will be head of the combined College.

Persons interested in being considered for this appointment, or wishing to suggest the names of others, are invited to write in confidence not later than 31st March 1984 to: The Rt. Hon. Earl Jellicoe, DSO, MC, Chairman of the Council, King's College London, Strand, London WC2R 2LS, from whom further particulars are available.

A CHANGE OF DIRECTION

If your career is at a dead end and you are considering a change of direction this could be the opportunity you are looking for.

Self assured people with ability and business acumen are needed to train for a career within the financial services industry.

Exciting opportunities for personal success and career development are linked with excellent training and the prospects of a very high income.

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ALLIED HAMBRO FINANCIAL MANAGEMENT

Bond Sales/Trading

Due to expanded business, the London subsidiary of a major Japanese Investment House is seeking to recruit at least two extra staff for the Fixed Income Department. At first work would be in the area of Yen Bond Sales and Trading.

Candidates will probably be recent graduates and/or have some relative City experience. Emphasis will be placed on initiative and ability to contribute in an Anglo-Japanese team.

Salary will be commensurate with abilities. Prospects are very good, with opportunities to travel or work in the Far East.

Applications, which will be treated in the strictest confidence, should be sent in the first instance to:

The Company Secretary
New Japan Securities Europe Limited
Princes House
95, Gresham Street, London EC2V 7NA

EXCO FUTURES LTD

SENIOR DESK BROKER

Exco Futures has developed into one of the leading Financial Futures broking companies in London.

A vacancy has arisen for someone with the right combination of cash and futures money market experience to join our desk broking team at a senior level. Excellent remuneration package offered to successful applicant.

Please write in confidence to:—

Graham Kidson
(Director)
EXCO FUTURES LTD.
80 Cannon Street
London EC4N 6LJ

EXCO
An Exco International plc company

International Appointments

Banking
Opportunities in South Africa

Nedbank is the largest South African owned bank, with assets approximating U.S. $10,000 Million. Our progressive, innovative approach to banking, combined with an energetic new business policy has led to outstanding growth and profitability. We are highly automated and have an extensive and sophisticated country-wide, on-line facility.

Decisive management, initiative and original thinking are recognised as key factors in the continuing development of existing and new services encompassing a broad spectrum of banking activities both in Southern Africa and internationally.

To join our Team — the Senior Management of tomorrow — and to play a vital part in our future success, we are looking for men/women who are

- in the age range 28 – 35
- at least A I.B. qualified
- possess proven ability, gained in a large commercial, organisational or equivalent banking environment
- experienced in either/or Commercial banking, credit lending, project finance, corporate banking

Above all else we need talented professionals who want to advance in the world of banking by merit and achievement.

The successful applicants will be based in one of South Africa's major commercial centres and will enjoy working in a truly stimulating environment where personal contribution is encouraged and recognised.

Attractive salaries and excellent benefits are the immediate rewards — the long term rewards are unlimited.

To apply, write to the Personnel Manager, quoting Ref. No. FT 223 on both envelope and letter, with details of qualifications and experience — Nedbank Limited, Nedbank House, 20 Abchurch Lane, London EC4 N7AD.

Full details of relocation expenses and the life-style you can expect in South Africa will be furnished at the initial interview.

If you're serious about a career join the people who are serious about banking.

NEDBANK
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International Banking Consultants

Jonathan Wren International Ltd 01-623 1266

170 Bishopsgate, London, EC2M 4LX

GENERAL MANAGER LUXEMBOURG

We seek a high calibre merchant/investment banking professional with middle-eastern experience and a fluency in either French or German to assume the post of General Manager for an important international bank in Luxembourg.

If you are aged between 40 and 50 years and have a proven knowledge of fund management, equity/trade finance, leasing, trade bills, forfaiting, foreign exchange and the commodity markets then we would like to hear from you.

This unique opportunity offers a generous salary and benefits normally associated with the seniority and responsibilities of the position.

Interested applicants should telephone or send a Curriculum Vitae in confidence to **LAILA RAFIQUE**, who is advising the client in this case, at JONATHAN WREN INTERNATIONAL LTD.,
170 Bishopsgate, London
EC2M 4LX, Tel: 623 1266.

Financial Opportunities in the Middle East

Age 24 – 35 **US$ 22 – 35,000 tax free + substantial benefits**

Our client is a major international communications group with an impressive expansion record. Growth and corporate development have led to internal re-organisation and the need to recruit 4 high calibre accountants.

Opportunities exist at Regional Accountant and Regional Controller level in Bahrain, and at Finance Manager level in Saudi Arabia and Egypt. Consequently we wish to hear from recently qualified ACA/ACCA/ACMAs who possess strong managerial skills and considerable industrial experience. Initiative, commercial awareness and a strong personality are essential qualities.

All positions offer excellent prospects for promotion and superb benefits including accommodation, car and generous leave. If you are interested in working in this demanding but challenging environment contact Stephen Raby on (01) 831-0431 at Michael Page International, Sicilian House, Sicilian Avenue, London WC1A 2QH quoting ref SR/595/F.T.

Michael Page International
Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

TOP JOBS WORLDWIDE

For the past eleven years the **EXECUTIVE EMPLOYMENT BULLETIN** has helped executives find top international positions. Mailed at the beginning of every week, it contains advertisements for over 60 senior management positions reproduced verbatim from leading European and U.S. publications and direct sources.

Subscription rates:	10 weeks	25 weeks	50 weeks
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To: Executive Employment Bulletin, Dept. 422, PO Box 169, Maidenhead, Berkshire SL6 1BQ, England
Please send me the Executive Employment Bulletin for .... weeks.
I enclose my cheque for £.............. Please charge my
Diners Club ☐ Access ☐ Visa ☐ American Express ☐
Card No. .... Expd. Date ....
NAME ....
ADDRESS ....

Financial Controller
OVERSEAS
up to £30,000

We are seeking qualified Accountants who are interested in working overseas in the Middle East and Mediterranean regions. In this instance our client is a major trading company with interests in fmcg, soft drinks etc. Knowledge of systems and sound professional experience should open the way for future promotion within the group.

Please write giving full career details to me, Robin Witheridge. All enquiries will be treated in strictest confidence.

Business Development Consultants
63 Mansell Street, London E1 8AN. Tel: 01-488 0155

ACCOUNTANT—Sri Lanka

A major Sri Lankan company, the subsidiary of an international group is seeking a professionally qualified Sri Lankan accountant to head up the financial function at its offices in Colombo. Prerequisites are Sri Lankan nationality and willingness to relocate in Colombo. Candidates should preferably be 35 plus, and have good experience in management, financial controls, international trade and the treasury function. The position carries an attractive salary and other benefits.

Replies in confidence to Box A8494
Financial Times, 10 Cannon Street, London EC4P 4BY

DETECON

as a subsidiary of the Deutsche Bundespost, the posts and telecommunications administration of the Federal Republic of Germany and of German major banks conveys the know-how of communication engineering and postal technique to foreign countries.

For three years our local subsidiary in the Kingdom of Saudi Arabia has been executing maintenance and management of the whole telex network for the ministry of PTT.

The company's organisation has an own management information system for all fields of user's services, telecommunication bills and administration. The existing computersystems are PDP 11/70 (ending 1984) and IBM 370/158.

To service a follow-up contract we immediately need for the EDP department:

1 Chief Database
(with experience in designing and maintaining databases preferably IDMS)

1 MIS Systems Analyst
(with experience in analysis, design and implementation of online commercial applications preferably using IDMS)

1 DEC System Analyst
(with experience in analysis, design, DEC programming—basic and basic II and implementation preferably on PDP 11/70)

An adequate B.Sc. will be required for each of these three positions. Applicants for the advertised positions should at least have 3 years' experience in their particular field with the following languages: PL 1, Assembler and with the working/computer systems: VM/370, CMS, DOS/VSE, CICS, PLL Work experience in telecommunication environment is advantageous.

The working language is English.

Duty station will be Riyadh.

The salary will be attractive and calculated according to the position. A three-year contract is intended.

Applicants who would like to take over one of these interesting tasks are asked to send in their application papers with a tabular curriculum vitae, a photo and copies of their certificates.

DETECON
Deutsche Telepost Consulting GmbH
Godesberger Allee 64
Postfach 20 07 01
D-5300 Bonn 2
West Germany

CHLORIDE EGYPT SAE **CAIRO**

Finance Manager – Egyptian National

This company is an important recently established Law 43 manufacturing joint-venture operation involving as the major shareholder the British-based Chloride Group PLC, one of the world's leading manufacturers of automotive and industrial rechargeable batteries. It is sited near Cairo in new purpose-built premises incorporating the largest and most modern facilities of its kind in North Africa and the Middle East.

We are seeking to appoint an Egyptian National to succeed a British expatriate as Finance Manager. He will report to the Director of Finance and must possess the professional and personal qualities which, coupled with an excellent track-record, would make him a natural candidate for promotion within the Company.

Communicating with other members of the senior management team, he will be responsible for the overall finance function including strategic planning and budgeting, the development of computerized accounting and costing systems, and will ensure that the Company's reporting requirements are met.

Candidates should be qualified accountants, preferably aged between thirty and forty-five and who have sound experience at senior financial management level. They will wish to further their careers by returning to Egypt on a permanent basis.

The Company offers excellent conditions of service including a free Company car. It will meet one-way relocation expenses for the successful applicant and his family.

Initial interviews will take place in London and applications should be addressed to Mr. A. J. White, Overseas Personnel Adviser, Chloride Overseas, 52 Grosvenor Gardens, London SW1W 0AU, enclosing a detailed c.v. with a recent photograph and any other relevant data.

CHLORIDE

Accountancy Appointments

Financial Director
Micro Computer Distribution £20,000

Our client, a major UK distributor of portable micro-computers, accessories and software products, based in Milton Keynes, is seeking to appoint a Financial Director.

The successful candidate will be a key member of a new management team aiming to build a company which will become a market leader in its own field. Accordingly, candidates should be able to demonstrate the ability to make a strong positive contribution to the management of a rapidly growing organisation, design and implement systems and ensure that growth is properly controlled.

It is envisaged that the ideal candidate will be in his or her early 30's and will have some first-hand experience of running a fast growing company. The remuneration package will include an equity option. Salary will be negotiable and other benefits include car, medical insurance and pension scheme.

Please apply in writing, with full career details, to:-
Miss P Alison, Director of Personnel,
Robson Rhodes, 186 City Road, London EC1V 2NU

FINANCE DIRECTOR
Salary £28,000 plus

The Welsh Water Authority is a statutory body responsible for water supply, sewerage and sewage disposal, land drainage, river mangement and water based recreation and amenities throughout an area of over 8,000 square miles. It has an annual income of over £180m, capital expenditure of around £50m per annum, more than 1,000,000 customers and over 5,000 employees.

The Finance Director will report to the Chief Executive and will be responsible for all aspects of accounting, financial planning and control including revenue collection, and for playing a key role in formulating and implementing financial and commercial policy.

The requirement is for a qualified accountant with experience at senior level in a large organisation in either the public or the private sector.

The position is located in Brecon and relocation assistance will be given if required.

Applications, marked confidential, to: F B Doyle, Chief Executive, Welsh Water Authority, Cambrian Way, Brecon, Powys. So as to be received not later than 16th March 1984.

WELSH WATER AUTHORITY
AWDURDOD DWR CYMRU

YOUNG ACCOUNTANT

Age Mid-20s **c.£13,000**
Based London

Our client, a major company with worldwide operations is seeking to recruit a young qualified accountant to work in their European Regional Office based in London.

The company seeks an individual to be responsible for the preparation of local statutory accounts for a number of corporate entities situated in Europe.

Whilst these accounts will be prepared in London, it is anticipated that up to 20% of this individual's time will be spent visiting the countries within the Region in order to become familiar with the current level of company activity, to review the local accounting input, and to discuss requirements with local external advisers.

The position offers excellent career progression for a credible individual holding a recognised accounting qualification, who has at least one year's commercial experience, although an exceptional candidate straight from the profession may be considered.

Interested applicants should apply to Peter Flammiger at EMF International, 21 Cork Street, London W1X 1HB. (Tel. 01-434 4181).

EMF International

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

Thursday, March 1, 1984

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 1st March, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." The advertising rate will be £34.50 per single column centimetre. Special positions are available by arrangement at premium rates of £40.50 per s.c.c. Newly Qualified Accountants, especially Chartered, are never easy to recruit — don't miss this opportunity!

We will also be including in this feature a

GUIDE TO RECRUITMENT CONSULTANTS

and entries in the guide will be charged at £50 which will include company name, address and telephone number.

For further details please telephone:
IRENE NOEL on 01-248 5205
or
MIKE HILLS on 01-248 4864

Accountancy Appointments

Treasury Management

London based **Age 27-35**

As one of the leading consultancy firms in the UK we provide a wide range of services in the areas of cash management, treasury functions and systems implementation.

We wish to expand our activities by recruiting experienced corporate treasurers to join our London based practice.

Typical assignments in treasury management include corporate reviews of cash flows and working capital to improve liquidity, design of cash forecasting models, advice on capital funding and structure and foreign exchange management, and the design and implementation of appropriate treasury organisation structures and systems.

Further qualified professionals are required to help us grow. Ideally you should have at least three years experience in the treasury function of a major company and also be a qualified accountant. You should also have the ability to communicate orally and in writing at all levels of management, and the necessary personal qualities to lead demanding projects.

For outstanding people with extensive experience there are excellent opportunities and our attractive remuneration package includes a car.

If you are interested, please write quoting reference MC/TM to J.P. Jordan, Peat, Marwick, Mitchell & Co., Management Consultants, 1 Puddle Dock, Blackfriars, London EC4V 3PD.

PEAT MARWICK

CHIEF ACCOUNTANT /CONTROLLER

PASSENGER SHIPPING

Newly formed, first class international cruise company operating three vessels in the Mediterranean and Caribbean seek qualified executive for Athens head office.

Experience from total cost control of vessels to production of quarterly balance sheets essential. Excellent salary, benefits and incentives. Greek national or person fluent with the Greek language essential.

Please send your resume to: Chairman, Ocean Cruise Lines, P.O.Box 614, 4010 Basel, Switzerland.

OCEAN CRUISE LINES

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY

Rate £34.50 per single column centimetre

Financial Director

Entrepreneurial property company

Surrey/Hampshire

Substantial compensation

The company has adopted a unique approach to property development. It derives its increasing credibility and strength from combining empathy for client needs with the most modern industrial design concepts. In addition, sound commercial vision has seen the company accumulate a portfolio worth in excess of £10m. Through a policy of vertical integration, a licence has been obtained to market a unique flooring system and an electrical contracting business has been acquired and is now trading successfully.

The job of Financial Director is required to complement a small but highly professional and committed management team. The first task is to examine the planning assumptions and efficiency of the organisation and recommend improvements. Beyond this, the role will take full responsibility for providing a comprehensive, commercially-oriented financial and administrative support to both the Managing Director and the management team on every aspect of the business's activities, current and projected.

Applications are invited from qualified accountants with a track record of commercial achievement in the smaller company environment. Relevant experience of active participation in property investment, funding and related tax matters is essential. Strong personal presence, creativity and total commitment are demanded for survival in this growth company. Remuneration will be excellent, and within realistic limits is not a restricting factor. Age is likely to be under 45.

Please reply in confidence giving concise career and personal details and quoting Ref. ER678/FT to I.D. Tomlinson, Executive Selection. **Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.**

Arthur Young McClelland Moores & Co.

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

ASSISTANT MANAGER — UK TAX

Central London **circa £17,000+car +benefits**

Our client is a leading international manufacturer and distributor of sophisticated electronic office equipment and systems.

They are now seeking to recruit an Assistant Manager — UK Taxation, to join their Tax and Treasury Division. Major areas of responsibility will include the tax computation for the parent company, as well as corporate tax accounting. The position will also involve participation on tax planning projects and the successful candidate will be encouraged to use his/her creativity and initiative in this important area.

Candidates for this appointment will be qualified accountants aged in their late twenties who since qualifying have spent at least three years in corporate taxation either in public practice, commerce or industry. Emphasis will be placed on commercial awareness and the desire to gain an excellent grounding in commercial tax within a successful international organisation.

Applications in strict confidence should be submitted to **Robert N. Collier** or **Catherine Harrold** at our London address quoting reference number 4384.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Financial Accountant
Senior position in diversified business group within British Telecom

London c. £14,000

Mobile Systems and Services – a diversified group of growing British Telecom businesses – provides specialised markets with a range of value-added network facilities.

An opportunity exists for a Financial Accountant (ACA/ACCA preferred) age up to 35 years, based in London, with the ability to make a major contribution to key accounting functions. Specific responsibilities range from the supervision of a team responsible for the mainstream financial accounts function to the production of monthly financial and management accounts. Additionally, updating and interpretation of financial policies and procedures will also be a key requirement.

The successful candidate will liaise closely with the management accounting function.

We are looking for someone with broadly based experience in a highly competitive commercial environment, as well as a professional accountancy qualification.

Normal starting salary will be in the region of £14,000 (including a London allowance). Benefits are those you would expect from a large, progressive organisation.

Please write enclosing a full C.V. and daytime telephone number to **Patrick Donnelly, The Finance Index Ltd.,** 11 Palmer Street, London SW1H 0AB quoting ref: F1'/18

British TELECOM

Finance Director

c.£23,000+ excellent package

North West England

Our client is a well-established, private group with interests in processing and retailing its own brand consumer products, and a significant property portfolio.

The board wishes to make a new appointment of Finance Director, who will operate at group level, responsible to the Chairman for:

- Formulation and implementation of financial policies and controls
- Supervision of group accounting and data processing staff
- Providing a strong commercial input on pricing and contract negotiations
- Financial appraisals as part of a continuing investment programme
- Advising the board on the group financial performance.

Candidates, ideally in their forties, should be Chartered Accountants, able to demonstrate they have made a major contribution in a medium size business at board level, where strength of purpose and diplomacy have been required to introduce new ideas.

The excellent remuneration package includes a salary negotiable around that shown, a quality car, a non-contributory top hat pension, planning for retirement at 60, and private medical cover.

Please apply in confidence with details of your career, quoting reference 5487, to: Brian Jones,

Thornton Baker Associates Limited, Brazennose House, Brazennose Street, Manchester M2 5AX.

Senior Management Accountant

Cambridgeshire **to £14,000+Relocation**

Our client is a profitable wholly owned subsidiary of a major US group involved in the manufacturing of high technology rubber based components. As market leader in its field, the company anticipates turnover to expand substantially from its current level of £9 million within the next twelve months.

An ambitious, commercially minded accountant is now sought to strengthen the finance function. Reporting to the Financial Director, the successful candidate's responsibilities will encompass cash management, project appraisal, profitability studies, accounts preparation and cost investigations.

Candidates for this highly challenging and varied role should be qualified, aged 27–35, with at least 6 years' experience in a manufacturing environment. Drive, enthusiasm and an outward going personality are as important as technical ability.

Candidates should write to **Dean Gollings,** enclosing a comprehensive curriculum vitae at 24 Bennetts Hill, Birmingham B2 5QP.

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Financial Controller

(Director Designate)

S.W. London c. £16,000 pa+car

The Company is the leading UK manufacturer in a specialist sector of the scientific instrument industry and a subsidiary of a profitable and expanding public group.

The requirement is for an ambitious, commercially minded financial manager to join the management team and make a significant contribution to both business development and profit improvement. The appointment will require experience of financial control and costing and at least a working knowledge of computer techniques. Attention to detail will be essential with an emphasis on the provision of accurate and timely management information.

The controller will report to the Managing Director and there is a small but experienced support staff. Career prospects are excellent and to Board level.

Candidates aged 27/33, with ACA or ACMA qualifications, should have a clear record of achievement and preferably some direct industrial experience.

Write with full personal and career details to the address below, *quoting ref: B9848/FT on the envelope.* Your application will be forwarded directly to the client unopened, unless marked for the attention of our Security Manager with a note of companies to which it should not be sent. Initial interviews will be conducted by the client.

PA Advertising

6 Highfield Road, Edgbaston, Birmingham B15 3DJ. Tel: 021-454 5791. Telex: 337239

ACCOUNTANCY

CONTROLLERSHIP PROSPECTS To £15,500

This progressive international group with worldwide operations offers a self-assured, young qualified accountant the opportunity to become controller in two years. The Accounting Manager is an essantial part of a stroog interactive management team advising/appraising projects as well as running a busy department. Applicants should be qualified accountants, ambitious, ideally with previous industrial experience and knowledge of computerised systems. N. LONDON. Ref: CW.

ACCOUNTING MANAGER £15,000

An excellent career opportunity for an ambitious, young accountant within a U.S. multinational. Responsible for the accounting of both the London H.Q. and various field locations in the Middle East and Africa, the Manager-Accounting Operations will supervise some seven staff and enjoy considerable contact with senior management in both the U.K. and overseas. Suitable candidates will possess good knowledge of systems plus the ability to communicate at all levels. W. LONDON. Ref: JG.

ELECTRONICS c£12,000 + Car

Our client, a U.S. corporation with extensive European operations has enjoyed a remarkable history of growth within the electronics field. This fast moving environment has produced a requiremeot for a young qualified accountant with stroog commercial awareness to take responsibility for the financial reports of a European office. Based in the U.K. the successful candidate will have an excellent opportunity to gain U.S. reporting experience and the opportunity for overseas travel. SURREY. Ref: PAB.

ROBERT HALF
LEE HOUSE, LONDON WALL, EC2. 01-606 6771

Manager Customer Accounting

CROYDON, SURREY c. £21,000+car

South Eastern Gas is the Region of British Gas which covers London South of the Thames, the counties of Surrey and Kent and the greater part of Sussex.

This senior position is for a professional Manager to head up its Customer Accounting operations, employing advanced computer-based systems and operating to fixed time scales. Duties are wide-ranging, including responsibility for the Region's meter-reading programme covering nearly 2 million customers, and for the subsequent prompt billing and cost-effective collection of all income – currently in the region of £700 million per annum.

Candidates, male or female, must have proven managerial experience, together with the ability to direct and motivate a large department of some 1,200 staff. A professional qualification in accounting or allied subject would be helpful, though not essential.

Applications should be addressed to the Director of Personnel, South Eastern Gas, Segas House, Katharine Street, Croydon, Surrey CR9 1JU.

SOUTH EASTERN GAS

FINANCIAL CONTROLLER

Catering company with substantial and diverse outlets needs a practical accountant with fast, accurate and thorough book-keeping experience to produce extensive management and client accounts and prepare company accounts at least to trial balance. Appropriate experience to introduce modern techniques and unit controls an advantage. Assisted by part-time book-keeper envisaged to meet 50% business increase. Age 30-45. Good salary and prospects.

Send c.v. to
DAVID BLUNT CATERING MANAGEMENT LTD.
86 Cranbrook Road, Ilford, Essex

PRACTICE ACCOUNTANT / PROFESSIONAL ASSISTANT

International Tax Advisers require Accountant to take charge of internal records of professional office and generally to assist with client work.

I. F. CHOWN & CO LTD
42 Weston Street, London SE1 3QD
(by London Bridge Station)

هكذا من الأصل

Accountancy Appointments

Financial management consultancy – a challenging career move

London based, up to £23,000 + car

C&L

As one of the largest end most diverse firms of management consultants, we work with many types of organisetions in tackling a wide range of business and manegement problems. We are looking for further experienced accountants who want to widen their experianca and who seek e greater chellenge.

you must be...

- eged 28 to 34
- a graduate accountant, with at least 3 years' experience in industry/commerce
- eble to show real echievement in your career to dete
- keen to extend your experience and improve your skills.

we offer...

- the opportunity to develop and broeden the skills essential for your future career in senior menagement
- a stimulating, multi-disciplinary environment
- exposure to the latest business, financial and DP techniques
- opportunities to work overseas – short or long term
- rapid career and earnings progression.

Résumés, including e daytime telephone number should be sent to C R Willems, Director, quoting Ref. F20/81.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

REUTERS

Recently Qualified

Central London — **around £14,750**

Why be desk bound when you can travel the world for a couple of years and know that, when you wish to settle down, you will be given every opportunity to take a *line position leading to long term job satisfaction either in the U.K. or* overseas. Our Client is a world leader in the provision of information services to the media and the financial community, and is U.K. based with establishments in over 70 countries and a rapidly increasing turnover. The successful candidate will join a team of six internal auditors, who work closely with decentralised national and regional accounting staff, identifying problem areas. Applicants (male/female) must be Chartered Accountants, preferably with a degree, who have gained experience with a major professional firm. Ref. 1298/FT. Write or telephone for an application form, or send full details to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156. (24 hours).

Phillips & Carpenter
Selection Consultants

Group Financial Controller

South Coast

circa £17,000 + Company Car

Our client, e highly profitable *UK public* company with a *turnover of £28 million* operating from four divisions, wishes to appoint a Group Financial Controller to its corporate head office on the South Coast.

The new position, reporting to the Group Finance Director, entails responsibility for the provision of regular financial management information, together with the preparation and presentation of financial forecasts. Management of the group's treasury function will also be a key task.

Candidates aged 30-35 will be qualified accountants with sound commercial experience gained in e large professional firm and industry. Familiarity with computer-based accounting and management information systems is essential. together with qualities of leadership and communications skills commensurate with this senior appointment.

The remuneration package is negotiable, depending upon ability and experience and includes a company car, contributory pension scheme, and private health insurance. Assistance will be given towards relocation expenses where appropriate.

Applicants, male or female, should write or telephone in confidence for a personal history record form quoting reference MCS/284 to: C.L. Whiteside, Price Waterhouse Associates, Clifton Heights, Triangle West, Bristol BE8 1EB. Tel: Bristol (0272) 293701.

Price Waterhouse Associates

Chief Accountant

West London — **c.£16,000 + car**

This is an outstanding opportunity to become involved in the broadest aspects of a senior accountancy/administration role. Our clients, leaders in their sector of the retail motor trade and a subsidiary of a large international company, are looking for a qualified, industrious accountant to head up their 10-strong accounting function.

Reporting to the Managing Director, you will work as a key member of a small management team. Your brief will embrace the provision of management information, financial reporting and advice to the company and the group, and budgeting within very tight parameters. You will also be required to develop the already established financial computer system.

Aged 30 plus, you should have at least 5 years' post-qualification experience in a commercial environment, ideally but not essentially within the motor trade. Your personal qualities must include good communication skills, diplomacy and the strength of personality to succeed in a tough, competitive environment.

A salary c.£16,000 is offered together with car and other executive benefits.

Please send your C.V. quoting ref: FT/677 and listing any companies to which your application should not be forwarded, to:
Anne Barrett,
Riley Advertising (Southern) Limited,
Old Court House, Old Court Place,
Kensington, London W8 4PD.

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GLASGOW LIVERPOOL MANCHESTER NEWCASTLE NOTTINGHAM

Confidential Reply Service — Riley

Taxation Manager Banking

Age 28-35
up to £25,000 + benefits

Our client, a major overseas bank, as a result of promotion will shortly appoint a Tax Manager to its European Division Headquarters in London.

Responsibilities include:

* All aspects of contact with taxation authorities.
* Tax planning for the European Division in conjunction with Head Office.
* The provision of an internal tax information service.
* Working with lending officers on the tax aspects of customer-related transactions.
* Representing the bank on industry associations.

The bank considers the tax manager to be an important member of the business team and the appointee would be expected to contribute to the decision making process.

The ideal candidate will have had at least three years post-qualification experience in the taxation department of a major accountancy firm where he/she would have dealt with the affairs of international banking clients. Alternatively, candidates may come from a tax department of an international bank.

Remuneration will be competitive and will include the attractive fringe benefits associated with banking.

Please apply to Jock Coutts, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG. tel: 01-242 5775.

Career plan LIMITED
Personnel Consultants

Financial Controller

City Based £16,000+

Our client is an expanding yet well established name in the financial services sector, providing short term investment, leasing and other treasury related services to substantial UK companies. It has developed its interests in the leasing field through the management of lessor companies on behalf of corporate clients.

Continuing growth necessitates the recruitment of a senior manager to head up the financial team of the leasing operation. The successful candidate will be expected to supervise the production of accounts on a fully computerised system, provide management information for clients, and liaise closely with clients and management in the development of new leasing products.

Candidates should be qualified, probably Chartered Accountants, aged 27 to 35, with excellent technical skills and communication ability, wishing to pursue a career with a forward-looking company.

Applications in the first instance to Peter Breen.

ROBERT HALF

Deputy Group Tax Manager

The Pergamon Press/BPCC Group of companies is a rapidly expanding International Publishing, Printing & Communication organisation. The Tax Department which is responsible for all aspects of taxation compliance and planning in the Group now wishes to recruit a Deputy Group Tax Manager to assist in compliance and help with planning.

The person concerned should be a qualified ACA with experience of corporate taxation in a large group or major firm of accountants. Some experience of personal tax/PAYE compliance would also be useful.

The post is based at the Group Head Office in a pleasant part of Oxford.

A salary of around £13,500 is envisaged together with appropriate benefits.

Applications, with a comprehensive C.V. should be addressed to: Peter Bouch, Personnel Controller,

The British Printing & Communication Corporation PLC
Headington Hill Hall,
Oxford OX3 0BW.

Internal Auditor

To £16,000

An Internal Auditor experienced in EDP is required to establish effective Internal Audit within Intasun Travel Division, reporting to the Financial Director. Intasun has grown up relatively quickly and profitably in a dynamic environment so that this Division revenue exceeds £150,000,000. To maintain this growth requires tight financial and EDP controls and management believe that Internal Audit would make an invaluable contribution to ensure the continuing success of Intasun.

An intelligent and numerate individual is required with a positive personality together with a sound academic record showing confidence of application and commitment; preferably a graduate, ACA or ACMA with 2 years commercial experience (American company experience desirable) and a good grounding in EDP.

The individual should possess and effectively display such qualities as self motivation, innovation, well developed inter-personal communications skills, be highly energetic and capable of career growth. Age indication 28-32.

Please write, enclosing comprehensive career details to date to: Carol Barry, Intasun Travel Ltd, Intasun House, 2 Cromwell Avenue, Bromley, Kent BR2 9AQ

intasun

Group Financial Executive

ACA, aged 28-32 – Large public group
N. London – up to £18,000 + car

The controller of this diverse and expanding public company has an unusually broad role embracing acquisitions and business development as well as the usual control functions. He wishes to recruit an additional Group Financial Executive.

The corporate staff is very small, standard accounting matters being largely decentralised. This high-profile position therefore requires flexibility and will entail close liaison with subsidiaries in financial and management control matters, financial analysis and biannual consolidations as well as assisting the Controller with his broader responsibilities. The emphasis is strictly on the non-routine. Some overseas travel may be necessary. After a period in this group position a senior appointment in one of the subsidiaries can be anticipated.

Candidates should preferably be graduate Chartered Accountants of high intellectual calibre with worthwhile post-qualification experience. The package includes a company car, a share option scheme and assistance with relocation.

Please write in confidence, quoting reference 2518/L and enclosing career details to N. P. Halsey, Executive Selection Division, Peat Marwick Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT MARWICK

TREASURY MANAGER

Major British Group
Package c.£23,000 + Quality Car
Exceptional Opportunity

Our client is a well known international public company determined to achieve further development in consumer product markets.

Key tasks relate to the introduction of new centralised control systems in the areas of cash and funds management and foreign exchange and exposure management. This will involve close liaison and the development of greater professionalism and accountability at subsidiary levels. The person appointed must be capable of deputising for the Group Treasurer in both internal and external relationships at a senior level.

Candidates, eged 27-35, must have achieved exceptional progress in treasury work in a large international group in which the treasury function is regarded as vital. They are likely to be qualified accountants and ideally hold membership of the Association of Corporate Treasurers. Sound business acumen coupled with *an analytical mind and strong interpersonal skills are essential requirements for* this challenging role.

The appointment has considerable career development potential and will attract ambitious candidates who see their future in the treasury function of a highly professional and profit orientated group.

Please send a resumé or telephone for an application form to George Henderson or Stuart Adamson at 62 Pall Mall, London SW1. Telephone 01-930 7966 (24 hour answering).

GROSVENOR STEWART
INTERNATIONAL RECRUITMENT CONSULTANTS *London and Brussels*

CHIEF ACCOUNTANT

City — **£17,500 – £20,000**

This position involves the management of the accounting and data processing functions of a substantial and expanding City firm of solicitors with three overseas offices. The responsibilities are wide-ranging and include a significant cash management element.

The successful candidate will report to and work closely with the Financial Controller, who will be retiring in four years time. The eight members of the accounts department will report directly to the Chief Accountant.

Applicants should be professionally qualified accountants with at least two to three years' post-qualification experience, including experience of mini-computers, who have the ability to respond to the requirements of a progressive and commercially-minded professional firm.

Please send a comprehensive career résumé including salary history and day-time telephone number, quoting ref: 2154 to G.J. Perkins.

Touche Ross & Co, Management Consultants
Hill House 1 Little New Street London EC4A 3TR
Telephone: 01-353 8011

Finance Tutor

Not less than £14,000

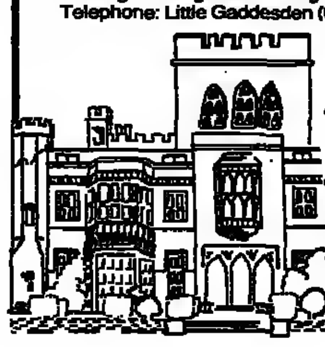
Ashridge Management College, one of Europe's leading centres for management education, requires a qualified accountant to join the tutorial staff.

Preference will be given to candidates who are within the age range 25 to 35 and have:

- Several years experience in industry or commerce since qualification.
- A conceptual grasp of both financial and management accounting and an understanding of business finance.
- An interest in and a flair for communicating accounting concepts to non-financial managers.
- Previous experience or high potential as a teacher/trainer.
- The potential to handle client relationships and to understand management development in the wider context.

Tutors at Ashridge are expected to play their part in the management of the College and potential for growth within the job is high. Success would bring earnings over £20,000 per annum within a relatively short time. Ashridge offers an attractive range of benefits, including a car scheme, membership of a 'contracted out' pension scheme and the opportunity to supplement salary by undertaking private consultancy work. Assistance with removal expenses is provided.

For further details and an application form please telephone or write to the Personnel Department, Ashridge Management College, Berkhamsted, Hertfordshire HP4 1NS. Telephone: Little Gaddesden (044 284) 3491.



Ashridge Management College

Accountancy Appointments

Finance Manager

London **£17,500 + participation**

For a fast growing marketing consultancy which is one of the UK's leaders in the field of new product development, and which is shortly to seek a USM listing.

In this new post you will report to the Managing Director and be responsible for administration and all aspects of financial planning and control. You will work closely with professional advisers on property, legal and tax matters.

The man or woman we are seeking is a qualified accountant or company secretary with several years' sound professional or commercial experience. Benefits will include a car, BUPA, and the opportunity to participate in profits and in equity.

Write in confidence to E H Simpson, quoting ref. S212, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

Chetwynd Streets
Management Selection Limited

Principal Accountant

Mid Southern Water Company

Surrey

£15,000-£17,000
with excellent prospects

Mid Southern Water Company abstracts, supplies and distributes water for domestic, commercial and industrial use in parts of Berkshire, Hampshire, Surrey and West Sussex.

Reporting to the Chief Accountant initial tasks will be the development of computerised budgetary control and management information systems. In the longer term the successful candidate will be expected to assume the role of Deputy Chief Accountant and become involved in all aspects of the Financial Management of the Company.

Candidates must be qualified accountants aged between 35 and 45 years, with substantial experience in an organisation with effective budgetary control. Significant earlier involvement with the development of computerised systems is essential. Personal qualities sought include the ability to communicate fluently with non-accounting managers.

Conditions of employment are attractive and assistance with relocation expenses will be provided if appropriate.

Please send full personal, career and salary details in confidence to Robert Ellis quoting reference 1286/FT on both envelope and letter.

Deloitte Haskins+Sells
Management Consultants
128 Queen Victoria Street, London EC4P 4JX

ACCOUNTANT/FINANCIAL CONTROLLER

Age 28-35 years. Qualified, with experience of arts management and/or contract negotiation. Administration, catering, cash control, financial discipline. Monthly accounting. Intuitive, innovative approach to problem solving. Salary negotiable according to age and experience, c £20,000.

Apply to:
Company Secretary
RIVERSIDE STUDIOS
Crisp Road, London, W6

MANAGER — UK TAXATION

Home Counties **circa £15,000 + car + benefits**

This is an excellent opportunity to join a major North American company having a diverse range of high technology activities throughout Europe and the UK.

The successful candidate who will report to the Head of European Tax will undertake full responsibility for all aspects of the organisation's UK Taxation. Specific areas of involvement will include corporate tax planning, corporate tax accounting, corporate tax compliance as well as some personal tax planning for a number of ex-patriates.

Candidates for this appointment will be qualified accountants, male or female, aged between 26 and 30 years who since qualification, have gained a sound knowledge of corporate tax either in public practice, commerce or industry. Candidates must also have the necessary personal qualities to operate effectively at the highest levels and be able to demonstrate clearly a creative and positive approach to problem solving.

Applications in the strictest confidence, should be submitted in writing to Richard Norman, F.C.A. or Robert N. Collier, at our London address quoting reference number 4388.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Internal Audit

A Stepping Stone or Career Opportunity

Central London **c£13-15,000 + subsidised mortgage etc**

Our client, a major financial group, considers its internal audit function to be vital to effective management, providing an independent appraisal of its operations, the expertise essential for ad hoc investigations and a training ground for future financial managers.

Working mainly in London, you will undertake a number of operational reviews of the group's diverse activities. With a minimum of routine, the emphasis will be on overall performance and efficiency, calling for initiative and accounting and reporting skills.

For young qualified accountants this is an outstanding opportunity to gain commercial experience and an understanding of the group's varied interests – essential for future career development, either in this team or into line management.

Contact David Tod BSc, FCA on 01-405 3499 quoting ref D/48/TF

Lloyd Management
125 High Holborn London WC1V 6QA Selection Consultants 01-405 3499

FINANCE DIRECTOR

Micro-computers c.£25,000 & equity potential

This multi-national company has been restructured with institutional support and new funding. It is now poised to develop rapidly into additional markets including exciting international affiliations and joint ventures for new products from the UK and the USA.

A range of micro-computers and supporting software has been successfully designed, developed and introduced and already enjoys ready acceptance in interesting markets. There is an enviable reputation for close user support and technical back-up from comprehensive in-house facilities to which will be added new UK manufacturing capacity in 1984.

The Finance Director will be a key member of the small autonomous team running the UK and international operations. This new position calls for a wide cootribution in the total area of finance, administration and business planning. Well-educated, seasoned applicants in their thirties must be able to demonstrate a successful career embracing financial and management accounting, systems, administration, budgets, forecasts, EDP, inventory and manufacturing cost control. Commercially aware chartered accountants, ideally with a degree and/or MBA with well-rounded professional line skills used to making an overall business contribution in a marketing and manufacturing environment, would be ideal. Flotation and/or international funding experience would be relevant.

Beoefits include car, pension, equity potential, medical and insurance options and relocation.

Please send a full career history, in total confidence, to:-
Giles Foy, quoting reference 897/FT,
Crailfern Corporate Consultants Limited,
2 Berkeley Square, London W1X 5HG. Tel: 01-629 0682.

CRAILFERN CORPORATE CONSULTANTS
Executive Selection Division

Financial Controller

Future USM Possibility

A financial controller is required to join the senior management team of a successful steel stockholding group, part of an established international trading company. Following a period of rapid and profitable expansion, the group is re-organising its accounting and secretarial functions to meet the possibility of a USM flotation and anticipated further growth.

Reporting to the Deputy Chairman, the financial controller will be responsible for the group's financial and secretarial affairs. The work will entail assisting with high level oegotiations and providing financial advice to the steel stockholding management team, coupled with responsibility for commercial property dealings and appraisal of possible diversification opportunities.

The requirement is for a qualified graduate with accounting experience in a distribution or commercial property company and the ability to make a substantial contribution to a fast growing organisation. Age: around 35.

Remuneration: up to £20,000 plus car and other benefits.

Location: Yorkshire.

Please write in confidence to C.T. Garcia (Ref. 5051F).

TMcL KMG
Thomson McLintock Associates
70 Finsbury Pavement London EC2A 1SX

FINANCE DIRECTOR

North West to £20,000 + car

Our client is a manufacturer of high performance machinery, 90% of which is exported. A radical restructuring of the company has taken place and a fundamentally new range of products is being introduced. This represents a major opportunity in the market and turnover is expected to double from the present £20m within 5 years. The company is profitable and generating substantial cash.

The Finance Director, supported by a Treasurer and Data Processing Manager, is responsible for all financial and secretarial functions. The treasury function is of particular importance, as is the computerised costing and shopfloor reporting system.

We are seeking a qualified accountant who will be credible both as an active member of the Board and as the company's representative to outside financial interests. A background at seoior level io the engineering industry is essential, together with evidence of success in both financial and cost control areas. Age is less important than attitude.

Please write immediately to Michael A. Hinds with full details of your background and current earnings, quoting Ref 404.

Ashley Recruitment
ASHLEY HOUSE, ASHLEY ROAD, ALTRINCHAM, CHESHIRE WA14 2DW.

Financial Controller

WEST COUNTRY • AROUND £25,000 PLUS CAR

Our client is a nine-figure turnover fresh food processing, wholesaling and distribution company operating throughout the UK. It is profitable and very well connected.

The job — reporting to the Financial Director and with a staff of 40 — is to control a complex multi-site accounting operation. The priorities are to tighten disciplines and to develop and apply computerised systems and controls.

Candidates, male or female, must be qualified accountants, preferably FCA and probably in their early/middle 30s, who have had experience at Controller level in a business of comparable scale. They will need to be single-minded, resilient — and ambitious.

Salary negotiable around £25,000 plus car, BUPA, relocation assistance.

Please write — in confidence — with full career details to D. A. Ravenscroft at Bull, Holmes (Management) Limited, 20 Albert Square, Manchester M2 5PE.

Bull Holmes
PERSONNEL ADVISERS

COMMERCIAL CONTROLLER

c.£22,000 + Prestige Car

Marketing Services Company Fortune 500 Company

Our client is a well known subsidiary of a major US multinational corporation in a dynamic stage of its development. Turnover and profits are expanding at a significant rate.

This is a new and important appointment. The role is broad ranging and includes general financial management with considerable involvement in the marketing and sales strategies of the company's basic activities. The successful applicant will also be required to make financial appraisals of new opportunities.

Candidates will be qualified accountants, with an entrepreneurial approach, ideally with a degree and with some experience in marketing.

The appointment is based in Central London and candidates will probably be in the age range 27-33. There is a particularly attractive benefits package including a prestige car and profit sharing scheme. The position has excellent long term career potential.

Please send a resumé or telephone for an application form to George Henderson or Stuart Adamson, Grosvenor Stewart Limited, 62 Pall Mall, London SW1. Telephone 01-930 7966 (24 hour answering).

GROSVENOR STEWART
INTERNATIONAL RECRUITMENT CONSULTANTS *London and Brussels*

Valtos

FINANCIAL CONTROLLER

As an international multi-disciplinary Consultancy Group, we are involved in a wide range of building projects in the UK and overseas including hotels, marinas, commercial and residential developments as well as in the assessment and rehabilitation of industrial plant. Accurate financial information must be provided, therefore we require a fully qualified and experienced Accountant to produce final accounts and monthly management reports. The candidate will assist in the financial viability of industrial and commercial projects and be part of the client briefing team. Suitable applicants should be also willing to contribute towards the development of computer based accounting and information systems.

The salary will reflect the responsibilities and personal qualities demanded by this position. For an application form please write in confidence to James Emery.

ARCHITECTS ENGINEERS QUANTITY SURVEYORS
140 West George Street
Glasgow G2 2HG
Tel 041 333 9771

AUDIT MANAGER

We are a major international consumer products and chemical corporation with an immediate need for a qualified Chartered Accountant to manago our well-established internal audit fuction based in Hampshire. Candidates should have supervisory audit experience with one of the top professional practices and industrial experience with a large multi-national corporation. The right person will be an energetic, highly motivated, self-confident iodividual with a good commercial balance. *Must communicate effectively,* both orally aod by written reports. Ability to speak French is of great importance and Spanish a further plus.

Reporting to the Corporate Director of Auditing in New York, the Audit Maoager will be responsible for the audit function in the U.K., Europe, Africa and the Middle East. Extensive travel will be involved and the person selected must be prepared to spend up to 60% of their time visiting our extensiva operations.

The function is seen as a training ground and, based on prior experience, a controllersbip positioo may be anticipated in around three years. Salary and benefits are geared to attract the right candidate.

Applicants will be interviewed in London during the week commencing March 12. Résumés, statiog brief but comprehensive details of qualifications, salary and career history should be forwarded to our Corporate Director of Auditing.

Write Box A8502, Financial Times
10 Cannon Strct, London EC4P 4BY

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FINANCIAL TIMES
Thursday February 23 1984

Argentina pins its hopes on farm sector, Page 42

KEY MARKET MONITORS

STOCK MARKET INDICES

	Feb 22	Previous	Year ago
NEW YORK			
DJ Industrials	1134.21	1139.34	1080.40
DJ Transport	494.89	498.53	482.13
DJ Utilities	124.86	124.81	123.62
S&P Composite	154.31	154.64	145.48
LONDON			
FT Ind Ord	816.40	819.30	637.20
FT-A All-share	494.02	494.30	400.92
FT-A 500	528.55	592.23	434.28
FT-A Ind	481.91	482.06	410.68
FT Gold mines	658.20	632.40	631.30
FT-A Long gilt	10.22	10.19	11.28
TOKYO			
Nikkei-Dow	9947.71	9970.64	7918.18
Tokyo SE	769.86	770.78	579.00
AUSTRALIA			
All Ord.	743.80	744.50	504.80
Metals & Mins.	513.10	512.30	447.20
AUSTRIA			
Credit Aktien	55.41	55.45	48.92
BELGIUM			
Belgian SE	141.18	141.03	106.31
CANADA			
Toronto Composite	2366.18	2362.30	2066.70
Montreal Industrials	414.14	412.97	353.71
Combined	396.42	397.89	343.22
DENMARK			
Copenhagen SE	206.90	205.60	113.15
FRANCE			
CAC Gen	161.10	161.70	106.30
Ind. Tendance	103.60	104.30	111.80
WEST GERMANY			
FAZ-Aktien	348.08	352.41	263.75
Commerzbank	1024.00	1036.80	791.30
HONG KONG			
Hang Seng	1047.22	1066.91	990.52
ITALY			
Banca Comm.	218.59	219.38	206.35
NETHERLANDS			
ANP-CBS Gen	158.80	161.20	110.70
ANP-CBS Ind	130.20	132.30	97.10
NORWAY			
Oslo SE	240.95	238.53	147.74
SINGAPORE			
Straits Times	1018.48	1026.76	808.86
SOUTH AFRICA			
Golds	994.0	984.50	931.20
Industrials	975.6	972.40	852.60
SPAIN			
Madrid SE	118.19	119.19	103.21
SWEDEN			
J & P	1543.41	1564.43	1232.19
SWITZERLAND			
Swiss Bank Ind	370.20	373.20	312.60
WORLD	Feb 21	Prev	Year ago
Capital Int'l	179.00	179.60	159.30

GOLD (per ounce)

	Feb 22	Prev
London	$394.25	$388.50
Frankfurt	$395.25	$389.75
Zürich	$395.25	$389.00
Paris (fixing)	$394.64	$388.04
Luxembourg (fixing)	$390.00	$389.00
New York (Feb)	$399.70*	$388.40

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR Feb 22	Previous	STERLING Feb 22	Previous
$	–	–	1.451	1.444
DM	2.6635	2.7035	3.8675	3.905
Yen	233.2	234	338.5	338
FFr	8.2125	8.3425	11.915	12.045
SwFr	2.1925	2.2175	3.1825	3.205
Guilder	3.004	3.0475	4.36	4.4025
Lira	1648	1671.25	2390.5	2412.5
BFr	54.82	55.37	79.10	79.95
C$	1.24775	1.24925	1.81	1.804

INTEREST RATES

Euro-currencies (3-month offered rate)	Feb 22	Prev
£	9⅛	9⅛
SwFr	3⅝	3 7/16
DM	5 9/16	5⅝
FFr	15⅛	15⅜
FT London Interbank fixing (offered rate)		
3-month U.S.$	10⅛	10⅛
6-month U.S.$	10⅜	10⅜
U.S. Fed Funds	9⅝	9⅝
U.S. 3-month CDs	9.70	9.75
U.S. 3-month T-bills	9.13	9.115

U.S BONDS

Treasury	Feb 22* Price	Yield	Prev Price	Yield
10% 1986	99 19/32	10.85	99 15/32	10.82
11¾ 1991	99 13/32	11.80	99 13/32	11.78
11.75 1993	99⅜	11.90	99 3/32	11.88
12 2013	99 13/32	12.06	100	12.00
Corporate	Feb 22 Price	Yield	Prev Price	Yield
AT & T				
10⅞ June 1990	94⅞	11.70	93⅞	11.80
3⅞ July 1990	68⅞	10.80	68⅞	10.75
8¾ May 2000	75⅜	12.20	75⅝	12.30
Xerox				
10⅞ March 1993	92⅜	11.96	92⅜	12.05
Diamond Shamrock				
10⅜ May 1993	91⅜	12.15	91⅞	12.20
Federated Dept Stores				
10⅜ May 2013	87⅝	12.20	86⅞	12.35
Abbot Lab				
11.80 Feb 2013	96⅝	12.65	95.413	12.85
Alcoa				
12⅞ Dec 2012	96⅝	12.65	96⅝	12.70

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	69-12	69-22	69-12	69-18
U.S. Treasury Bills (IMM) $1m points of 100%				
March	90.81	90.85	90.79	90.82
Certificates of Deposit (IMM) $1m points of 100%				
March	90.22	90.29	90.21	90.25
LONDON				
Three-month Eurodollar $1m points of 100%				
March	90.05	90.07	90.04	90.04
20-year Notional Gilt £50,000 32nds of 100%				
March	108-27	109-05	108-25	109-02

COMMODITIES

(London)	Feb. 22	Prev
Silver (spot fixing)	850.45p	639.30p
Copper (cash)	£997.25	£998.50
Coffee (March)	£2031.00	£2047.50
Oil (spot Arabian light)	$28.47	$28.47

WALL STREET

Late dip as concern deepens

FINANCIAL MARKETS on Wall Street tried to steady themselves yesterday with the belp of some short covering by the professional traders but weakened towards the close as concern deepened over the outlook for interest rates and Federal Reserve credit policies, *writes Terry Byland in New York.*

Bond prices fell to their lowest level in the setback, as speculators in the bond futures market sold off contracts for the Marcb delivery.

The stock market opened lower, but prices rallied as selling pressures eased, and began to edge forward at midsession. Tuesday's low turnover was seen as an indication that sellers have backed away for a while.

By mid-afternoon, however, the downturn in the bond market had undermined stock prices. Turnover remained moderate by the standards of last month, but selling gathered pace towards the end of the session. The Dow Jones industrial average ended a net 5.13 points down at 1,134.21, the lowest level since April 3 last year. The day's share trading total of 90.5m, was the highest for a week.

Nervousness over federal policies on interest rates remained the key to both sectors of the market. A tightening of credit policies over the next month is widely predicted, althougb some analysts believe that the Fed may await publication of the economic date for February before making a decision.

Mr Paul Volcker's comment that the Fed's current policies are coosisteot with economic growth brougbt little response in the market.

IBM shed $¼ to $109¼, bringing into jeopardy once again the $109 level regarded by some as a support price.

Other dull spots among the leaders as the sessioo progressed included Chrysler, $¼ off at $28⅝; Geoeral Electric, uncbanged at $51⅞ after sbedding an early gain; and Geoeral Telepbooe, $⅜ down at $35¾ io busy trading.

The announcement that Mr Boone Pickens' Mesa group was bidding for further stock in Gulf Oil provided the main feature of the energy sector. Gulf jumped $5⅛ to $57⅛, against the $65 each offered for the extra sbares by Mesa, which itself added $⅝ to $15⅞.

Among steels, LTV was $¼ down at $17¼ in brisk turnover, continuing to reflect disappointmeot with the Justice Department's ruling against its planned merger with Republic Steel. In another potential bid, Sun Air Electronics lost $1¼ to $9 after endiog talks with BR Communications.

Ceco Corporatioo, the concrete construction group, sbed $⅜ to $21⅞, bowever, after reporting lower fourth-quarter profits.

Credit markets were belped at first by technical short-covering, but lack of genuine investment interest began to show through in the latter balf of the session.

The sbarp rise in the money markets over the past month brougbt higber rates at the Treasury's weekly auction, which was postponed from Monday by the market boliday. Three-month bills fetched an auction yield of 9.13 per ceot, some 28 basis points higber than three weeks ago, while the six month at 9.28 per cent was more than 30 basis points up since the end of January.

In the market, the three-month bills settled yesterday to 9.15 per cent, three basis points up on overnigbt, with the six-month at 9.29 per cent, two basis points up.

The bond market opened steadily, helped by technical sbort covering but began to slip lower at midsession. The first downward tilt came in the bond futures market, where fear of a tigbtening by the Fed next month brougbt a setback in the price for the March contract. A further fall in late afternoon left the Marcb contract at 69 17/32, a net 5/32 down and again threatening the support level of 69 5/32.

The key long bond traded briefly above par value but dipped sharply as the Marcb contract weakened to end at 99 10/32, a net 13/32 down and yielding 12.06 per cent.

TOKYO

Margin debt adds to difficulties

A FURTHER slide on Wall Street overnigbt discouraged investors in Tokyo yesterday to send equity prices lower in lacklustre trading, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow market average dropped 22.93 to 9,947.71 on volume of 232.87m sbares, up from Tuesday's 199.26m. Declines outnumbered advances 371 to 356, with 173 issues unchanged.

Investors found it difficult to move into the market, which saw the balance of margin transactions on the Tokyo, Osaka and Nagoya stock excbanges at the end of last week reacb an all-time high. They had expected Wall Street to rally after its three-day closure.

The weakness in New York combined with smaller-than-expected buying by investment trust management houses to spread disappointment in the market.

In early trading, non-ferrous metals and other speculative issues attracted buyers' interest amid a wait-and-see mood. Mitsubishi Metal climbed Y13 to Y518 at one stage, the higbest since last year, due to further tension in the Hormuz Strait. But the issue declined rapidly afterwards oo small-lot selling, closiog Y2 down at Y503.

Other oon-ferrous metals also eased, with Sumitomo Metal Mining falling Y20 to Y1,440 and Mitsui Mining and Smelting Y13 to Y481.

Blue chips were mixed in the cross-currents of purcbases and sales. Pioneer Electronic rose Y120 to Y3,570, while Fuji Photo Film shed Y30 to Y2,090, NEC Y10 to Y1,380 and Toyota Motor Y30 to Y1,330.

Kyocera, whicb sbot up the previous day, plunged Y220 to Y10,050 on profit-taking and TDK sbed 20 to Y6,530.

By cootrast, semiconductor manufacturing equipment makers were bougbt on increases in their investment in plants and equipment for the accounting year whicb begins in April. Hoya Corporation advanced Y80 to Y1,660 and Kokusai Electric Y80 to Y1,980.

On the bond market, many institutional investors remained oo the sidelines, concerned about a U.S. interest rate rise. Trading in the over-the-counter market was extremely slow, with only clty banks issuing small-lot orders.

The yield on the 7.5 per cent governmeot bonds, maturing in January 1993, eased to 7.39 per cent from 7.395 per cent on the firmness of the yen in relation to the U.S. dollar.

CANADA

RENEWED STRENGTH among Toronto golds, on the back of the bullion price improvement, was offset by a poor showing for oil and gas issues and few marked movements elsewhere.

A flat Montreal accorded most of the gains to industrials while weakness was evident among utilities and banks.

EUROPE

Uniform cause for distress

DISAPPOINTMENT was acute on the European bourses yesterday that New York investors had not returned from the holiday weekend any better disposed towards hunting among the stock bargains now arrayed before them.

The overnight U.S. slide was cited almost without exception as the reason for a cautious retreat effected in generally quiet trading. The mood appeared to be one of resignation to the transatlantic enforcement of a correction phase, rather than any fundamental loss of morale.

A somewhat weaker dollar did not have enough of a countervailing influence, nor did a better showing in domestic bond markets – whicb themselves were able partially to sbake off the U.S. uncertainties.

An **Amsterdam** reversal, which dragged the ANP-CBS general index 2.4 lower at 158.8, had the greatest impact on recent favourites such as publisher Elsevier, which slid Fl 15 to Fl 520. ABN, one of the banks in demand last week, shed Fl 7 to Fl 390 for a two-day fall of Fl 21.

Hoogovens dropped Fl 3.30 to Fl 46 after a good run-up last week took it as high as Fl 53, amid reports of recommendations from Dutch banks and a Londoo broker.

West Utrecht mortgage bank attracted buyers after a positive press assessment and jumped Fl 9 against the trend at Fl 125.

A firm bond market was helped by foreign buying and by a central bank liquidity advance, Fl 3bn for seven days at 5¼ per cent.

Selling pressure in **Frankfurt** allowed few issues to escape, and the Commerzbaok index fell 12.8 more to 1,024.0. One of the survivors was Daimler-Benz, wbere late bargain-bunting corrected Tuesday's DM 10 slide by DM 3.30 to finisb at DM 566.30.

Other car makers, which bad not been so severely trimmed the previous day, were weaker. BMW lost DM 2.30 to DM 416.20 after Dresdner Bank reshaped its 10 per cent holding.

Heavy volume in Siemeos took it DM 2 lower to DM 393.50 as its KWU unit turned in flat results.

Public authority boods added up to 35 basis points in price, and the Bundesbank was able to sell DM 44.3m worth.

The Freocb truck drivers' dispute weighed on **Paris** as it began a new monthly account, and one of the few to make progress was Matra, up FFr 16 to FFr 1,521 after a poor recent run. By contrast L'Oréal, whicb has had several good sessions, relinquisbed FFr 42 to FFr 2,148.

Exceptionally thin **Zurich** volume left Sandoz SwFr 150 off at SwFr 8,850 and Union Bank SwFr 40 down at SwFr 3,560. Swissair managed a SwFr 10 improvement at SwFr 1,030, while public sector bonds were steady.

Ahead of prime rate cuts, **Milan** was listless: Fiat sbed L18 to L4,070 and Banca Commerciale L200 to L35,700. Bonds were also thinly dealt but firmer.

A good number of overnigbt **Brussels** values were maintained, and market leader Petrofina advanced BFr 40 to BFr 6,940. But UCB in chemicals slid BFr 80 to BFr 4,770.

Results were awaited in **Stockholm** for Asea, and abead of these the shares steadied at SKr 11 to SKr 291 in a general absence of buying enthusiasm. **Copenhagen** showed Jyske Bank DKr 45 stronger at DKr 680 on its dividend increase.

Madrid turned lower after a string of steady gains.

LONDON

Contrasting data lead to indecision

AN INDECISIVE trading session developed in London as investors pondered contrasting domestic and U.S. data, without reaching any positive conclusion. The FT Industrial Ordinary index drifted 2.9 down to 816.4 while the FTSE index ended 1.4 lower at 1,043.0.

Commercial Union, which reported a 56 per cent profits contraction largely from underwriting losses in the U.S., closed only 4p down at 172p after 163p.

House of Fraser, 14p up at 290p, reacted to revived suggestions that Lonrho, 9p ahead at 155p, had sold its 29.9 per cent stake outside of the market.

Gilts traded on a more subdued note.

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AUSTRALIA

A MIXED reaction by bank shares to a government report recommending major deregulation of the Australian financial system offset some of the early weakness in Sydney, which ended with the All Ordinaries index 0.8 off at 743.7, after being 2 points down at one stage.

Westpac responded with a 6-cent rise to A$3.68, while ANZ fell a similar amount to A$5.50 and National Commercial lost 3 cents to A$3.52.

Better world bullion prices and a recovery in BHP, 15 cents up at A$13.95, added a measure of confidence, while Bell Resources, the vehicle for the Holmes à Court bid for BHP shares, added 10 cents to A$8.50.

HONG KONG

THE PEKING talks on the future of the colony and next week's budget generated continued caution in Hong Kong yesterday as most shares fell and the Hang Seng index finished 19.69 off at 1,047.22.

Hongkoog Land was 7 cents weaker at HK$3.55, while Hongkong Telephone surrendered the 25 cents gain of the the previous sesslon to end at HK$45.25. Hutchison Whampoa was 2 ceots easier at HK$18.80.

SINGAPORE

PROFIT-TAKING and squaring of positions forced prices lower in moderate Singapore trading. The Straits Times index closed 8.21 down at 1,018.45.

Straits Steamship, steady at S$1.73, was unaffected by its joint venture with a Scottish group to provide specialised oil and gas services in South East Asia. Supreme Corporation, the most active stock with 904,000 shares traded, closed 8 cents off at S$2.08, while Fraser & Neave was one of the few gainers with a 10 cent rise to S$6.40.

SOUTH AFRICA

SHARP GAINS for most gold shares in Johannesburg, resulting from a firmer bullion price, spilled over into most other sectors.

Free State Geduld gained R5.25 to R55.50, while Buffels added R4 to R79. Anglo American Gold extended its recent rise by a further R3.50 to R149.50.

Elsewhere, De Beers was unchanged at R10.45 while Barlow Rand was 10 cents ahead at R14.30. OK Bazaars firmed 25 cents to R18.25 as consumer price rises slowed in January to 0.55 per cent.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
19⅜	9⅛	AAR	.44	2.2	22	182	19	18½	18½	
52⅜	30½	ACF	1.40	3.3	358	423	43	42½	43	
18⅞	14⅛	AMF	.50	3.5		1258	12⅞	14⅛	14⅛	+ ⅛
41⅛	21	AMR Cp			5	5466	25⅛	27½	28½	− ⅛
20⅞	15⅞	AMR	pf2.16	11		33	19⅞	19⅜	19½	+ ⅛
41½	25⅞	AMR	pf2.13	5.6		258	31⅞	30⅞	31½	− 1½
26⅞	23⅞	ANR	pf2.67	11		5	24½	24⅜	24⅜	− ½
23⅜	20	ANR	pf2.12	10		2	21⅛	21⅛	21⅛	
16⅜	5⅛	APL			3	84	11⅜	10⅞	11⅛	+ ⅛
55⅞	36⅞	ARA	2.05	4.7	9	86	44⅛	43½	43½	− ½
77⅛	50⅛	ASA	3a	4.5		2525	67	63⅛	67	+ 4⅛
33⅛	14⅞	AVX	.32	1.4	23	255	23	22½	23	− 1
53⅞	38⅛	AbtLab	1	2.2	15	3335	42⅞	42	42⅛	− 1⅛
30⅛	23⅛	AccoW	n .60	2.4	17	174	25½	25⅛	25⅓	− ⅛
27½	17⅛	AcmeC	.40	1.8		283	22⅞	22⅛	22⅛	+ ⅛
13	8⅞	AcmeE	.32b	3.6	56	50	9⅛	8	9	− ⅛
24⅞	8⅛	AdmDg	.04	.3	10	37	13	12⅞	12⅞	− ⅛
18⅛	15⅞	AdaEx	2.11e	13		73	16⅛	15⅝	15⅝	− ⅛
19⅛	7⅛	AdmMl	.28	1.6	6	62	17⅛	17⅛	17⅛	
18⅞	8⅞	Advest	.12	1.2	9	61	9⅞	9½	9⅝	
37½	15½	AMD	s		34	2672	28⅛	27⅞	27⅞	+ ⅛
24⅞	12½	Aerflx	s		13	40	13⅞	13⅛	13⅞	+ ⅛
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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15¼	15½	AL Lab	n			132	15½	15½	15½	
6⅞	1½	ATI				29	1⅝	1⅝	1⅝	
12¾	4	AcmePr				42	4¼	4⅛	4⅛	−⅛
19½	12¾	AcmU	s.32	2.3	15	13	14⅝	14½	14⅝	−⅛
14⅝	8⅞	Action	n		7	113	11	10⅝	10⅝	−¼
12	6⅞	Acton5		11	13. 25	36	7⅛	7½	7½	
6⅞	1⅛	Acin	wt			8	2⅝	2½	2½	
8	1⅞	AdmRs				7	2⅞	2¼	2¼	+⅛
30⅞	17⅛	AdRusl	n.10	.5	11	7	18½	18¼	18⅜	+¼
28⅞	15	Adobe	.24	1.2	14	407	20⅛	19½	20	+½
5⅛	2⅞	AegisCp			12	182	3⅝	3⅛	3⅜	−⅛
7	4	Aeronca			7	170	5⅛	4½	4⅝	+¼
48	28¼	AfilPub	.50	2.1	14	45	38	38⅞	39	+⅜
17½	8¼	AftSk	.05e	.6	7	4	10⅜	10⅜	10⅜	
15⅞	5⅞	ArExp				49	6¼	6⅝	9⅜	
6⅞	4	Alamc	n		10	46	5⅛	5	5⅛	
23⅛	11⅝	AlbaW	.15e	1.2	7	29	12⅞	12⅝	12⅝	−⅛
12⅞	8⅞	AlnTr	n			3	3⅛	3⅜	3⅝	
14⅛	9⅛	AlmySt		1.4		3	14½	14½	14½	+¼
10½	5⅞	AlohaA	.48r	5.9		13	8⅝	8	8⅝	+⅛
28⅛	14½	Alphaln	.05	.4	17	108	14	d13¼	13¼	−⅞
2⅞	1⅛	Altex				58	1⅛	1⅛	1⅛	+⅛
11-16	⅛	Altex	wt			60	5-16	¼	5-16	−1-16
37	31	Alcoa	pf3.75	11.		250	33	33	33	+½
32½	11⅝	AlzaCp			116	109	13¼	12⅛	12⅛	−⅛
28⅞	14⅞	Amdhl	n.20	1.2	17	349	16⅞	16	16¼	+⅛
25⅞	9⅞	Amedco	.08	.6	11	53	14¼	13⅛	14	−⅛
9⅞	2⅛	AmCap			131	23	8⅛	7⅞	7⅞	−⅛
39	28¼	AContrl	.92	3.0	9	1	30½	30½	30½	
44⅞	15½	AExp	wt			32	15¾	d15⅛	15⅝	+⅛
11⅞	5⅞	Alamel			2	59	6⅛	6	8	

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
30	23⅞	WelFM	2.80	11	8	62	27	26¼	26⅞	−½
22	14⅞	Wendys	.32	1.6	15	1210	19⅝	19⅛	19½	+½
32¼	19½	WestCo	.40	1.7	12	44	24	23⅞	23¼	−¼
54⅞	41⅞	WstPtP	2.20	5.2	8	64	42	d41⅞	42	−⅛
12⅞	10⅝	WstctT	.91	04		2	11⅞	11½	11½	
7¼	3⅞	WnAirL				605	4¼	4⅛	4⅝	
3½	1¼	WtAir	wt			699	1½	1⅜	1½	
18¼	11⅛	WAir	pf			10	15⅛	15	15	−⅛
12	8⅞	WCNA				1177	9¼	9	9	+¼
54¼	49	WCN4	pf7.25	14		2	50½	50½	50½	+½
47⅞	28⅞	WUnion	1.40	5.0		596	29½	d28⅛	28¼	−1

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Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months, plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

WORLD STOCK MARKETS

CANADA

(Closing Prices) Stock	Feb 22	Vorn.
AMCA Int.	22⅝	-
Abitibi	25⅞	- ⅛
Agnico Eagle	18⅝	+ 1½
Alberta Energy	18¼	+ ⅛
Alcan Alumn	41½	- ⅛
Algoma Steel	26⅝	- ⅛
Asbestos	9⅝	-
Bk Montreal	26½	-
Bk Nova Scotia	13¾	- ⅜
Bell Canada	30¼	-
Bombardier A	17	-
Bow Valley	23⅞	-
B.P. Canada	-	-
Brascan A	35¾	- ⅜
Brinco	2.32	- 0.04
B. C. Forest	11¼	+ ⅛
CIL Inc	29⅞	- ⅛
Cadillac Fairv.	10⅝	- ⅛
Can Cement	-	-
Can NW Energy	25	- ⅜
Can Packers	27½	-
Can Trustco	45½	+ 1
Can Imp Bank	30¼	- ⅛
Canadian Pacific	44¼	- ½
Can. P. Ent.	22	- ⅛
Can Tyre A	11⅝	+ ⅛
Carling O'Kfe	21⅛	- ¼
Chieftain	16⅝	+ ⅜
Cominco	58	+ ½
Cons Bathst A	26⅝	- ½
Coseka Resources	3.95	+ 0.1
Costain	9¾	-
Denison Mines	40	-
Dofasco	18¾	+ ⅛
Dome Mines	19⅝	+ 1¼
Dome Petroleum	4.15	-
Dominion Strs.	18¾	-
Domtar	31⅛	- ⅜
Falconbridge	62	-
Genstar	25⅝	-
Giant Y'knife	28⅝	+ 1⅜
Gt West Life	310	-
Gulf Canada	16½	-
Hawk Sid Can	16¾	- ⅛
Hudson's Bay	22	- ⅜
Husky Oil	9⅞	- ⅛
Imasco	32⅝	+ ¼
Imp Oil A	35⅝	+ ½
Inco	17⅛	+ ⅝
Indal	11⅞	-
Interpr Pipe	28½	- ½
LAC Minerals	-	-
Macmil Bloedel	30¾	- ⅛
Marks & Spencer	13	+ ⅜
Massey-Ferg	4.45	+ 0.05
McIntyre Mines	35½	+ ⅛
Mitel	13⅝	-
Moore Corp	49¼	- 1¼
Nat. Sea Prods A	0	-
Noranda Mines	22⅜	+ ½
Numac Oil	12⅛	- ⅛
Nova Alberta	6⅝	-
Nthn Telecom	44	+ ⅜
Oakwood Pet	8⅛	-
Pancanadian Pet	22¼	- ¾
Patino	10⅞	-
Placer Devt	20⅛	+ ½
Power Corp Can	18½	+ ⅛
Quebec Sturgeon	8¼	+ ⅝
Ranger Oil	10⅞	-
Reed Stenhse A	12	-
Rio Algom	16	+ ¼
Royal Bank	31½	+ ¼
Royal Trustco A	26⅝	+ ⅛
Sceptre Res	5.13	+ 0.13
Seagram	40¼	-
Simpson Sears A	-	-
Shell Can Oil	25¼	+ ⅝
Stelco	27⅝	+ ⅛
Tech B	9⅝	+ ⅛
Texaco (Canada)	37½	- ¾
Thomson News A	37½	-
Toronto Dom Bank	18	- ⅜
Transalta A	21¾	+ ⅛
Trans. Can. Pipe	15⅞	-
Walker Hiram	25⅜	-
Westcoast Trans	14⅜	-
Weston (Geo)	65½	+ ¼

AUSTRIA

Feb. 22	Price Sch%	+ or —
Creditanstalt	213	+1
Goesser	327	......
Interunfall	410	......
Laenderbank	815	......
Perlmooser	334	+1
Steyr-Daimler	157	......
Veitscher Mag	811	......

BELGIUM/LUXEMBOURG

DENMARK

Feb. 22	Price Knr %	+ or —
Aarhus Olie	480	—5
Andelsbanken	284	+5
Baltic Skand	865	+5
CopHandelsbank	270	+5
D. Sukkerfab.	765	+5
Danske Bank	325	—1
East Asiatic	204	......
Forenede Brygg.	1,145	......
Forenede Damp.	187	......
GNT Hldg.	630	......
I.S.S.B.	090	+40
Jyske Bank	080	+45
Hove Ind	6,620	......
Privatbanken	312	+3
Provinsbanken	346	+2
Smidth (F.)	253	+1
Sophus Berend.	1,295	+15
Superfos	530	—7

FRANCE

Feb. 22	Price Frs.	+ or —
Emprunt 4½% 1973	1,940	+33
Emprunt 7% 1973	0,930	+200
CNE 3%	3,375	+11
Air Liquide	507	—4
BIG	405.2	—0.8
Bouygues	655	—12
BSN Gervais	2,461	—32
CIT-Alcatel	1,360	—44
Carrefour	1,613	—9
Club Mediter'n	793	—1
CFAD	544	—8
Gie Bancaire	433	—5.9
Cofimeg	209.9	—0.1
Creusot Loire	47.5	—1.9
Darty	881	+69
Dumez S.A.	782	—1
Eaux (Cie Gen)	307	......
Elf-Aquitaine	286	—3
Gen. Occidentale	599	—7
Imetal	77.5	—0.9
Lafarge Coppee	326	—2.8
L'Oreal	2,148	—42
Legrand	2,015	+27
Maisons Phenix	280.2	—9.6
Matra S.A.	1,521	+16
Michelin B	890	—27
Midi (Cie)	1,385	+9
Moet-Hennessy	1,365	—2
Moulinex	96	+0.5
Nord Est	51	+2
Pernod Ricard	670	—7
Perrier	469	—8
Petroles Fra.	208	+0.5
Peugeot S.A.	628.5	—6.5
Poclain	61.5	+1.6
Printemps Au	141.5	+3
Radiotech	363	+6
Redoute	1,090	+20
Roussel-Uclaf	730	—11
Schneider S.A.	127.9	+0.9
Sefimeg	250.5	+0.3
Skis Rossignol	1,650	—35
Telemech Elect.	1,555	—26
Thomson (CSF)	305	—6
Valeo	277.2	—2.9

GERMANY

Feb. 22	Price Dm.	+ or —
AEG-Telef	100.5	—6.5
Allianz Vers.	796	—4
BASF	162.8	—1.7
Bayer	167	—1.1
Bayer-Hypo	279	—8
Bayer-Verein	342	—0.6
BHF-Bank	285	—2
BMW	416.2	—2.3
Brown Boveri	225.2	—4.3
Commerzbank	181.7	—2.3
Cont'l. Gummi	131	—3.3
Daimler-Benz	588.3	+3.3
Degussa	376	—0.6
Demag	146	......
D'sche Babc'k	164	......
Deutsche Bank	379	—4
Dresdner Bank	173.7	—1.8
GHH	140.1	—1.9
Hochtief	495	+15
Hoechst	178	—2
Hoesch Werke	121.7	—3.8
Holzmann (P.)	440	+5
Horten	198.5	—0.5
Kali und Salz	197	—6.8
Karstadt	255	......
Kaufhof	243	—4.5
KHD	240	—5
Kloeckner	85.5	—1
Krupp	88	......
Linde	378	—11
Lufthansa	160	—1
MAN	139.5	+4.5
Mannesmann	143.1	—1.8
Mercedes Hld.	503	—6
Metallgesell.	236	—6.0
Muench Rueck	1,155	—5
Preussag	273.3	—3.7
Rhein West Elect	177	—2.8

ITALY

NETHERLANDS

Feb. 22	Price Fls	+ or —
ACF Holding	180.5	—4
AEGON	124	—8
Ahold	212.5	—3
AKZO	99.1	—3.7
ABN	390	—7
AMEV	166	—2
AMRO	73	—0.3
Bredero Cert	195.3	—6.3
Bos Kalis Westm.	47.8	—1
Buehrmann-Tet.	83.2	—1.3
Calland Hldgs.	37.5	—0.2
Credit Lyon's Bk	57.5	—0.8
Elsevier-NDU	520	—15
Gist. Brocades	146.6	—4.3
Heineken	140	—3.5
Hoogovens	46	—3.3
Hunter Douglas	24.7	......
Int Mueller	36.5	—0.5
KLM	170	—8
Naarden	41.8	—0.4
Nat Ned Cert	222.3	—2.2
Ned. Credit Bank	30.8	+0.6
Ned Mid Bank	170	......
Nedlloyd	118	—2
Oce Grinten	232	—3
Ommeren (Van)	89	—1.1
Pakhoed	68	—1
Philips	43	—1
Rijn-Schelde	4.2	—0.3
Robeco	326	—5
Rodamco	132.5	......
Rolinco	308.7	—3.1
Rorento	202	+0.1
Royal Dutch	150.5	—3.9
Unilever	840	—6.5
VMF Stork	83	—2
VNU	149.5	—4.3
West Utr Bank	125	+9

NORWAY

Feb. 22	Price Kroner	+ or —
Bergens Bank	156	+1
Borregaard	250	+10
Christiania Bk.	166	+2
Den Norske Credit	165	+4
Elkem	132	+2
Norsk Data	270.0	—2.6
Norsk Hydro	593.0	+5.5
Storebrand	206	+7

SPAIN

Feb. 22	Price Pta%	+ or —
Bco Bilbao	279	—3
Bco Central	334	......
Bco Exterior	207	......
Bco Hispano	242	—2
Bco Santander	289	......

SWEDEN

SWITZERLAND

AUSTRALIA

HONG KONG

JAPAN

JAPAN (continued)

SINGAPORE

SOUTH AFRICA

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. ‡ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

OVER-THE-COUNTER Nasdaq National Market closing prices

Continued on Page 44

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

NEW YORK CLOSING PRICES

Continued from Page 35

Indices

NEW YORK — DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

RISES AND FALLS

MONTREAL

TORONTO Composite

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

هكذا صدر الأصل

MARKET REPORT

Numerous individual features highlight equity market

Gold shares advance strongly

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb 13	Feb 23	Feb 24	Mar 5
Feb 27	Mar 8	Mar 9	Mar 19
Mar 12	Mar 22	Mar 23	Apr 2

* "New-time" dealings may take place from 9.30 am two business days earlier.

Investors spent much of yesterday pondering over contrasting domestic and U.S. data. Most failed to reach any positive conclusion and the outcome was an indecisive trading session on the London Stock Exchange. Further encouraging forecasts on UK economic prospects — leading CSO indicators suggest a continuation of the recovery until the end of the year at least — were countered by Wall Street's latest setback. The latter reflected fears that the Fed could soon tighten credit conditions and push interest rates higher. Other deterrents were ICI's preliminary results, due to be announced today, and the approaching Budget.

Blue chip industrials were marked lower at the outset in sympathy with New York, but values rallied as cheap buyers appeared for selective stocks. For a while the recovery held but the market later became uncertain awaiting the opening transatlantic trend yesterday. Down 3.5 at 10 am, the FT Industrial Ordinary share index recovered quickly to post a modest gain of 0.7 an hour later before drifting off to close a net 2.9 down at 816.4. The fall was helped by late easiness in GEC and Plessey ahead of the latter's third-quater results. The new FTSE index retrieved an early decline of 3.7 to stand 1.1 higher just after the official close before closing a net 1.4 lower at 1,043.0.

Among remaining 30-share index constituents, TI featured with a rise of 4 to 246p after 248p, as rumours of a pending foreign takeover refused to die, while ICI held the overnight level of 604p awaiting the annual figures.

In the financial area, attention was focused initially on the Insurance pitches. Commercial Union's annual results—surprisingly brought forward—were released at 9.30 am and news of the 56 per cent profits contraction, due to deteriorating worldwide underwriting losses of £314.2m, £234.4m in America, immediately depressed. The share price fell to 163p but on consideration of the maintained dividend and views that the group could be even more vulnerable to an overseas predator, recovered to 175p before closing 4 easier at 172p. Other Composites gave the news a mixed reception and business overall was rather disappointing.

House of Fraser flared up again following revived talk that Lonrho had sold its 29.8 per cent stake in the company outside of the market and the close was 14 up on balance at 290p; Lonrho gained 9 more to 155p. Another stock to claim interest was Steetley. The Monopolies Commission's decision to veto Hepworth Ceramic's intended offer sparked off bear covering and also conjecture that another suitor might now appear.

Renewed rumours of an Iranian attempt to halt the flow of oil through the Strait of Hormuz, and the dollar's consequent weakness, prompted a further sharp rise in the bullion price. This led to outstanding gains of up to nearly £7 in heavyweight South African gold shares and a rise in the FT Gold Mines index of 25.8 to 658.2.

Government securities of both short and longer life traded on a more subdued note. Turnover fell quite noticeably from Tuesday's increased level and a light two-way trade left quotations showing small irregular movements. The tap stock's closeness to the authorities' expected selling level no doubt deterred major investment, although the £25-paid Exchequer 9¾ per cent 1998, at par, held the overnight price. Investors were also wary of the continued threat of higher short-term rates in America. Low-coupon shorts moved against the trend, edging better on sporadic demand from high-tax payers.

Midland dull

Caution over the group's rating in a circular otherwise bullish of the clearers unsettled Midland which dropped to 393p before closing a net 7 down on balance at 398p. Lloyds followed Tuesday's rise of 22 with a fresh improvement of 8 to 593p, while Barclays, which open the dividend season on March 5, hardened a few pence more to 538p. NatWest edged 2 higher to 737p. Elsewhere, Hill Samuel stood out in merchant banks with a gain of 11 to 328p, but Brown Shipley succumbed to profit-taking and lost 15 at 440p. Press comment helped Wagon Finance put on 2 to 51p, among Hire Purchases.

CU's poor figures made for quietly dull conditions in Composites. General Accident, the next to report on Wednesday, reacted from an initial higher level of 452p to finish 2 lower on balance at 445p. Royals closed 6 easier at 512p and recent takeover favourite Phoenix, ended 5 cheaper at 465p.

Xyllyx, the viewdata equipment concern which has traded at a discount to the placing price of 50p since its USM debut just over a week ago, attracted support at the lower level and moved up 7 to 53p. Fresh demand lifted Morgan Communications 4 to 77p.

Ibstock Johnsen rose 7 to a 1983/84 peak of 196p on speculation that Hepworth Ceramic may launch a bid now that the Monopolies Commission has block the Hepworth/Steetley merger. On the other hand, London Brick encountered persistent small selling and eased 2 to 160p; Hanson Trust's 165p per share offer closes next Tuesday. Elsewhere in the Building sector, George Wimpey, a rising market recently on hopes of further property sales, encountered profit-taking and shed 3 to 156p. Barratt Developments, interim results due on March 13, came back 6 to 178p, but Ward Holdings attracted support in front of today's preliminary statement and firmed 4 to 82p. Marchwiel moved up 4 to a 1983/84 peak of 230p in response to the better-than-expected annual results and optimistic statement. Dealings in Helical Bar resumed at 33p and the close was 37p compared with the suspension price of 43p; an accountant's investigation has revealed that more than £150,000 has been misappropriated from the company.

Debenhams wanted

Increased consumer spending hopes prompted steady support of major Retailers. Investment enthusiasm mainly centred on the House of Fraser/Lonrho situation, but among other noteworthy movements, Debenhams stood out with a gain of 4 to 147p amid fresh speculation of a hiving-off of the Welbeck finance arm. Woolworth responded to revived demand in a limited market to close 7 higher at 367p, but Burton provided an isolated dull spot in easing 5 to 218p. Secondary Stores were quietly irregular with profit-taking leaving recent high-flyers French Connection 10 off at 220p. The continued absence of takeover developments left James Walker 4 off at 144p, with the non-voting shares a like amount cheaper at 114p. Fellow jewellers Ernest Jones gave up 4 more to 80p on further consideration of the disappointing preliminary results. Mail-orders again featured Empire, which firmed 4 to record a two-day gain of 10 to 80p, while Martin Ford added 1½ at a new 1983/84 peak of 28½p.

Among Shoes, FII hardened 4 to 240p, after 242p, in front of Monday's half-timer. Stylo were volatile following the company's decision not to revalue assets in defence of the bid from Harris Queensway; down to 235p on the news, Stylo recovered to close unchanged on balance at 250p. HQ were unmoved at 312p.

Late offerings left GEC 8 cheaper at 176p, while Plessey, down 4 at 220p, were looking a little nervous awaiting today's third-quarter figures. Outside the Electrical leaders, Electronic Rentals firmed 5 to 52p in response to a broker's recommendation, while contract news left International Signal 4 higher at 213p. Demand in a limited market prompted a rise of 45 to 485p in CASE and of 20 to 325p in Lec Refrigeration. Crystalate, still reflecting hopes on the sale of its fine china interests, rose 21 to 252p. Dreamland closed unchanged at 29p following the share exchange offer from Valor, 2 lower at 113p.

Apart from the activity in TI, leading Engineers were rarely altered. Elsewhere, Stothert and Pitt, a good market over the last of days, reacted 5 to 156p awaiting tomorrow's preliminary results.

In Foods, Dee Corporation continued to attract support and rose 10 more to 475p. Squirrel Horn improved 2 to 37p, while Bio-Isolates revived with a gain of 6 to 108p.

Trusthouse Forte continued to make steady progress and closed 4 dearer at 214p, but Grand Metropolitan softened a couple of pence to 353p. Norfolk Capital eased 2 to 73p; Kennedy Brookes, one of two companies which recently acquired a disclosable holding in the company, has sold its entire stake—more than 7 per cent of the equity—to an unnamed buyer. Takeover favourite De Vere moved up 4 for a three-day gain of 27 to 302p.

Steetley feature

Steetley rose 12 to 264p following a combination of bear-closing and buying on hopes of a bid from another source. Hepworth Ceramic closed 5 dearer at 146p, after 151p. Elsewhere in the Miscellaneous Industrial sector, renewed demand left BET Deferred 12 higher at a new 1983-84 peak of 280p. Eleco hardened a penny to 83p in response to the increased interim dividend and profits, but Bath and Portland took a shade lower at 151p following preliminary results in line with expectations. Press mention stimulated occasional demand for Rockware, 2 dearer at 30p, while British Aerospace improved 5 to 243p awaiting the expected announcement on European A-320 Airbus funding. Partly reflecting the improvement in precious metals, Johnson Matthey rose to 287p before settling 4 up on balance at 284p. Manchester Ship Canal were in renewed demand at 207p, up 7, but Francis Industries eased afresh to 82p, down 4, on news that Suter Electrical had reduced its stake in the company. Leading issues held up reasonably well, although Beecham were noteworthy for a fall of 6 to 291p.

Binck and Edgington advanced 10 to 110p in a restricted market on rumours that a large stake had changed hands.

Motor Distributors were again highlighted by Lex Service which touched 403p before settling a net 12 dearer at 395p following a "buy" recommendation from brokers Phillips and Drew in front of next month's full-year figures. Adams and Gibbon firmed 4 to 136p, after 140p, on the increased annual profits and dividend, while Henlys, buoyed recently by a welter of disclosable share transactions, hardened 4 more to 113p. Dealings in Hanger Investments were resumed at 52p, or around 3 below the agreed shares-and-cash offer terms from T. Cowie, unchanged at 36½p.

Movements in Publishers continued to favour holders. Favourable comment lifted Fleet Holdings 5 more to 188p, while further consideration of the preliminary figures saw Metal Bulletin rise 8 for a two-day gain of 20 to 137p. William Collins, annual results expected mid-March, returned to favour with a gain of 10 to 413p.

Secondary issues again provided the colour in an otherwise lack-lustre Property sector. Daejan advanced 15 to 198p, after 200p, in response to near-doubled interim profits, while United Real continued to reflect excellent half-time figures and gained another 10 to 465p. Rush and Tompkins attracted support and rose 10 to 230p.

Irish Oils down again

The apparent absence of any hard and fast news from the Middle East regarding the Iran/Iraq war and an easier opening on Wall Street yesterday left leading oils with widespread losses. Britoil retreated 8 to 247p, while LASMO closed a net 7 lower at 318p, after 315p. Falls of around 3 were common to Shell, 638p, Tricentrol, 203p, and Burmah, 184p. Second-line issues also came under modest pressure, Carless Capel easing 3 to 240p and Berkeley Exploration 5 to 135p. Irish exploration stocks remained susceptible to rumours of imminent fund raising by Atlantic Resources in the wake of the technical problems surrounding the crucial appraisal well being drilled off the coast of Waterford. Atlantic closed a further 40 lower at 425p—a decline of 110 over the past three trading days. Aran gave up 4 at 50p, Estlinton 15 at 325p and Bula 2 at 27p.

Selected Plantations continued to make headway on Far-Eastern advices. Inch Kenneth, still buoyed by the bid development prospects of its estates, improved 53 more to 643p, with Hidong another 5 dearer at 101p. Bertam, 250p, and Rowe Evans, 86p, firmed 5 and 3 respectively.

Good gains in Golds

South African Golds made strong progress for the third successive trading day. A further bout of weakness in the dollar coupled with the continuing unease over the conflict in the Middle East boosted the bullion price to its highest closing level since early December. The metal price was finally $6.25 up at $394.75 an ounce, a three-day gain of $11.50.

Golds staged a rapid advance from the outset. Overnight gains in the U.S. were quickly followed by aggressive London and Continental buying interest and share prices raced ahead before retreating from their best levels in late after-hours trading.

Nevertheless, the leaders were left with closing gains which ranged up to £6⅞, as in Randfontein, £110⅞. Vaal Reefs advanced £4 to £88, Free State Geduld £3¼ to £31⅞ and Buffels around £3 to £44. Highlights among the cheaper priced issues included Western Areas, which surged 50 to 475p, ERGO, 24 firmer at 653p and East Daggafontein, 46 to the good at 378p.

The Gold Mines index jumped 25.8 more to 658.2—its highest level since mid-September last year and a three-day rise of more than 50 points.

London Financials were featured by Gold Fields which attracted persistent support and moved up 19 to 609p, after 612p. Rio Tinto-Zinc rose to 672p in initial dealings but failed to attract any follow-through demand and eased back in close only 2 harder on balance at 665p.

Renewed strength in free-market platinum prices boosted the South African producers, especially Impala which moved up ⅞ to a 1983-84 high of £10⅞. Rustenburg rose 20 to 835p and Lydenburg 15 to 610p.

Leading Australians failed to reflect the recent strength in precious metals but Golds continued to attract good demand, notably Whim Creek, which were especially firm in late trading and rose 18 to a year's high of 264p. Gold Mines of Kalgoorlie out on 30 to 645p and North Kalgurli 5 to 86p. Among the speculative Golds, Southern Resources added 12 at 130p, Kitchener 3 to 93p and Balmoral Resources 2 to 33p.

Activity in Traded Options centred on special situations. Lonrho, active on revived speculation concerning its holding in House of Fraser, attracted 541 calls, 231 in the May 140's which rose 6 to 16p, and 279 puts. Commercial Union were lively following the full-year results with 365 calls and 202 puts transacted. Elsewhere, mining counters remained active with Consolidated Gold Fields recording 371 calls, 132 in the April 650's which rose 8 to 15p. RTZ attracted 292 calls with the February 700's accounting for 125, while Vaal Reefs recorded 136 calls and 60 puts. De Beers March 850 calls rose 8 to 40p. Total contracts struck yesterday amounted to 3,956.

FINANCIAL TIMES STOCK INDICES

	Feb. 22	Feb. 21	Feb. 20	Feb. 17	Feb. 16	Feb. 15	year ago
Government Secs	83.98	83.98	82.79	82.79	82.88	82.77	78.78
Fixed Interest	87.04	87.06	87.05	87.05	87.04	86.90	80.56
Industrial Ord	816.4	819.3	816.5	816.2	817.5	816.5	637.2
Gold Mines	658.2	632.4	618.8	606.7	616.6	606.0	631.3
Ord. Div. Yield	4.50	4.48	4.53	4.51	4.60	4.51	5.08
Earnings, Yld.% (full)	9.41	9.39	9.46	9.43	9.41	9.48	10.85
P/E Ratio (net) (*)	13.0	13.03	12.93	12.98	13.01	12.99	11.08
Total bargains	22,870	20,533	22,164	22,589	21,406	24,006	20,550
Equity turnover £m.	—	253.41	304.11	367.32	313.56	281.13	247.30
Equity bargains	—	18,687	18,918	18,137	18,027	18,824	21,038
Shares traded (ml)	—	145.6	138.4	174.6	146.1	172.5	144.2

10 am 819.8. 11 am 820.2. Noon 819.1. 1 pm 818.4. 2 pm 819.1. 3 pm 818.7.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 12.21.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.47 (30/1/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	840.5 (25/1/84)	598.4 (12/1/83)	840.6 (25/1/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.8 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 21	Feb. 20
—Daily		
Gilt Edged Bargains	193.4	168.0
Equities Bargains	121.1	129.1
Equities Value	522.3	412.8
5-day Average		
Gilt Edged Bargains	157.5	195.9
Equities Bargains	121.3	120.2
Equities Value	494.6	492.7

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Wed Feb 22 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Feb 21 Index No.	Mon Feb 20 Index No.	Fri Feb 17 Index No.	Thurs Feb 16 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (205)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (32)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Electronics (34)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (64)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	Motors (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10	Other Industrial Materials (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GROUP (196)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Brewers and Distillers (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (22)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
27	Health and Household Products (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
29	Leisure (25)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (47)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
39	Other Consumer (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (83)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping and Transport (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (48)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (494)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (121)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (53)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Other Financial (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (107)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (747)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

	PRICE INDICES	Wed Feb 22	Day's change %	Tues Feb 21	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	118.85	-0.01	118.86	—	1.46
2	5-15 years	133.55	+0.01	133.76	0.24	2.37
3	Over 15 years	139.98	-0.11	140.14	—	2.37
4	Irredeemables	152.81	—	152.81	—	1.60
5	All stocks	130.20	-0.02	130.34	0.11	2.03
6	Debentures and Loans	108.28	+0.12	108.07	—	1.26
7	Preference	82.13	+0.16	82.00	—	1.39

	AVERAGE GROSS REDEMPTION YIELDS		Wed Feb 22	Tues Feb 21	Year ago (approx)
	British Government				
1	Low Coupons	5 years	[illegible]	[illegible]	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		[illegible]	[illegible]	[illegible]
11	Debs & Loans	5 years	[illegible]	[illegible]	[illegible]
12		15 years	[illegible]	[illegible]	[illegible]
13		25 years	[illegible]	[illegible]	[illegible]
14	Preference		[illegible]	[illegible]	[illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series	May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C, GOLD P, SILVER C, SILVER P, ABN C, ABN P, AKZO C, AKZO P, AMRO C, AMRO P, HEIN C, HEIN P, HOOG C, KLM C, KLM P, NN C, PHIL C, PHIL P, RD C, RD P, UNIL C series	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS 31,777

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+or–	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+or–
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+or–
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. || Allotment letters (or fully-paid). ■ Introduction. ✦ Unlisted Securities Market. § Placing price. †† Official London Listing. ‡ No par value.

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (102)

BRITISH FUNDS (6)
INT. BK. & O'SEAS GOVT. STLG. ISS. (1)
BANKS (1)
CORPORATION LOANS (1)
BREWERS (1)
BUILDINGS (4)
CHEMICALS (3)
STORES (6)
ELECTRICALS (8)
ENGINEERING (11)
FOODS (3)
HOTELS (2)
INDUSTRIALS (21)
INSURANCE (1)
LEISURE (1)
MOTORS (4)
NEWSPAPERS (2)
PAPER (1)
PROPERTY (6)
SHOES (1)
TEXTILES (1)
TRUSTS (6)
OILS (2)
OVERSEAS TRADERS (1)
PLANTATIONS (2)
MINES (7)

NEW LOWS (13)

AMERICANS (3)
American Express, SCA Services, Hutton (E. F.)
BANKS (1)
Algemene Bank Ned.
BUILDINGS (2)
Federated Housing, Modern Engineers
ELECTRICALS (1)
Manlord & White
INDUSTRIALS (2)
Johnson Jorgensen, Rooney
LEISURE (1)
Adam Leisure
PROPERTY (1)
Stewart Nairn
OILS (2)
Int. Atlantic Res., Oilseed Inspection

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
BET Deferred	280	+12
Commercial Union	172	– 4
Cons Gold Fields	609	+19
House of Fraser	290	+14
Ibstock Johnsen	196	+ 7
Impala Platinum	£10⅞	+ ⅞
ICI	604	—
Lonrho	155	+ 9
Midland Bank	398	– 7
Steetley	264	+12
Western Areas	475	+50
Wimpey (Geo.)	156	– 3

FTSE 100 INDEX

Close	1043.0	(–1.4)
Day's high	1045.5	(16.12)
Day's low	1040.7	(9.53)

(Base value = 1000 January 3 1984)

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb 20	Mar 2	May 31	June 11
Mar 5	Mar 16	June 14	June 25
Mar 19	Mar 30	June 28	July 9

For rate indications see end of Share Information Service

Call options were taken out in Aran Energy, Arlen, Barrie Investment and Finance, Chubb, Atlantic Resources, Charterhall, Selincourt, Hill Samuel, Brook St Bureau, GRA, Mersey Docks, Amalgamated Estates, Sterling Guarantee Trust, Inter-City, Havelin, Tozer Kemsley and Millbourn, First National Finance, Porter Chadburn, Burnett and Hallamshire, Intervision, Capara, Bula, and Southern Gold. Puts were done in Aran Energy and Atlantic Resources, while doubles were transacted in Lonrho, Bristol Oil and Minerals, Pauls & Whites and Atlantic Resources.

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
RTZ	[illegible]	[illegible]	[illegible]
Armour Trust	[illegible]	[illegible]	[illegible]
Francis Inds	[illegible]	[illegible]	[illegible]
Lonrho	[illegible]	[illegible]	[illegible]
Cons Gold Flds	[illegible]	[illegible]	[illegible]
Racal Electrs	[illegible]	[illegible]	[illegible]
Int Sig & Cntrl	[illegible]	[illegible]	[illegible]
Std Tel & Cbls	[illegible]	[illegible]	[illegible]
BOC	[illegible]	[illegible]	[illegible]
Boots	[illegible]	[illegible]	[illegible]
Bristol	[illegible]	[illegible]	[illegible]
NatWest Bk	[illegible]	[illegible]	[illegible]
Vaal Reefs	[illegible]	[illegible]	[illegible]
Westland	[illegible]	[illegible]	[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	16	35	52
Corpns. Dom. and Foreign Bonds	10	7	81
Industrials	295	233	885
Financial and Props	109	78	335
Oils	15	39	67
Plantations	6	3	15
Mines	83	25	78
Others	22	86	72
Totals	558	919	1,544

LONDON TRADED OPTIONS

Option	Strike	Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*430)	390	48	55	—	6	[illegible]	[illegible]
	420	28	35	43	80	[illegible]	[illegible]
	460	8	16	22	48	[illegible]	[illegible]
Cons. Gold (*609)	460	157	168	—	1	[illegible]	[illegible]
	500	117	128	133	5	[illegible]	[illegible]
	550	74	88	90	13	[illegible]	[illegible]
	600	38	45	55	85	[illegible]	[illegible]
	650	15	—	—	56	[illegible]	[illegible]
Courtaulds (*140), Com. Union (*174), G.E.C. (*188), Grand Met. (*355), I.C.I. (*602), Land Secur. (*363), Marks & Sp. (*224), Shell Trans. (*635)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Strike	Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
Barclays (*537), Imperial Gp. (*140), LASMO (*240), Lonrho (*154), O. & O. (*278), Racal (*218), R.T.Z. (*669), Vaal Reefs (*$129)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Strike	Calls Mar.	Calls June	Calls Sep.	Puts Mar.	Puts June	Puts Sep.
Beecham (*291), Boots (*208), De Beers (*$860), Guest Keen (*204), Hanson (*173), Tesco (*176)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Feb. 22. Total Contracts, 3,956. Calls 3,119. Puts 837.

*Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983-84 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
104¼	100½	Exchequer 14pc. 1984..	101	+	13.85	9.30
98½	92½	Exch. 3pc 1984.........	98½	.....	3.05	8.11
102	100	Treasury 12pc 1984..	101xd	−	11.82	9.28
107	104	Treasury 15pc 1985..	105	.....	14.28	9.53
107	101	Exch. 12pc Cnv. '85 .	102xd	.....	11.70	9.48
94⅛	88⅝	Treasury 3pc 1985..	94⅝	+	3.17	7.60
102½	99⅝	Treasury 11½pc 1985.	102	−	11.22	9.54
102	95	Treas 8¼pcCnv '85..	99xd	−	8.78	8.96
103¾	100⅛	Exch. 11¼pc 1985...	103	−	11.83	9.92
103	99	Exch. 11¼pc '86.....	103xd	−	11.40	10.02
102¼	97¼	Treas 10pc Cnv 1986	100	−	9.92	9.54
90¾	85⅝	Treasury 3pc 1986...	90¾	+	3.32	7.62
101	97	Exch. 10½pc Cv '86 ..	101¼	−	10.37	9.85
101	100	Treasury 12pc '86....	103¼	−	11.62	10.31
98¾	94⅛	Treasury 8¾pc '84-86‡‡	98¼	+	8.61	9.08
109	105	Exch. 14pc 1986.....	107¾	−	12.99	10.48
87⅛	84½	Exch 2½pc 1986	87⅛	+	2.88	7.90
107¼	103⅝	Exch. 13¼pc 1987...	106½	−	12.44	10.57
100	95⅞	Treas 10¼pc Cnv '87	99⅝	−	10.28	10.38
86⅛	80¼	Exchequer 2½pc 1987.	86⅛xd	+	2.90	7.71
100	95⅞	Exch. 10½pc 1987 ...	99⅝	−	10.54	10.62
93¼	88⅝	Funding 6½pc '85-87‡‡	92⅝	−	7.02	4.21
90	96	Treas 10pc 1987	98	−	10.17	10.58
86	80¼	Treasury 3pc 1987....	85	+	3.55	8.15
104⅝	99⅞	Treas 12pc 1987.......	103⅝	−	11.58	10.76
94⅞	89⅞	Treasury 7¾pc '85-88‡‡	94⅞	+	8.17	9.32
101½	95½	Exch 10½pc '88........	99½	−	10.55	10.62
98⅛	92	Treas 9¾pc Conv '88.	97½	−	10.00	10.46
82	75¾	Transport 3pc '78-88	82	+	2.66	7.96
96⅛	90¾	Treas. 4½pc '88.......	95⅝	−	9.93	10.69
106¼	95¼	Treasury 11½pc 1989..	102xd	.....	11.19	10.75

Five to Fifteen Years

1983-84 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
103	94¼	Treas 10½pc 1989....	101¼	.....	10.58	10.68
98⅞	96¼	Exch 10pc 1989........	98¼	− ⅛	10.31	10.72
85⅛	76	Treasury 5pc '86-89..	85⅛	.....	6.00	8.80
114	103	Treasury 13pc 1990‡‡.	110⅛	.....	11.96	10.93
150	100⅞	Exch. 12½pc 1990....	105⅞xd	− ⅛	11.70	10.94
93¾	86¼	Treasury 8¼pc '87-90‡‡	92	.....	9.12	10.34
66¼	20	Treas 10pc Cv '90 (£65pd)	66	−	10.31	10.67
108¾	97	Treasury 11¾pc 1991..	104¾	.....	11.37	11.03
84⅛	74⅛	Funding 5¾pc '87-91‡‡	84⅛	—	7.02	9.27
104	95⅞	Exch. 11pc 1991.......	104	.....	10.96	10.91
114⅛	102	Treasury 15¾pc '92‡‡..	109⅞	+ ⅛	11.72	11.05
100⅝	86⅛	Treasury 10pc 1992 ..	96¼xd	+ ⅛	10.34	10.62
111⅛	98½	Exch. 12¼pc '92.......	106¼xd	.....	11.52	11.09
117	106	Exchequer 13½pc '92 ..	111xd	.....	11.01	11.21

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Bracketed figures show R.P.I. base month for indexing, i.e. 8 months prior to issue. R.P.I. for January 1984 342.6

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. AND LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY—Continued

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

INSURANCE

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

LEISURE

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

LEISURE—Continued

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

Commercial Vehicles

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

Components

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

Garages and Distributors

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

NEWSPAPERS, PUBLISHERS

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

PAPER, PRINTING, ADVERTISING

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

PROPERTY

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

PROPERTY—Continued

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

SHIPPING

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

SHOES AND LEATHER

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

SOUTH AFRICANS

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

TEXTILES

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

TOBACCOS

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

TRUSTS, FINANCE, LAND

Investment Trusts

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

INVESTMENT TRUSTS—Cont.

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

Finance, Land, etc.

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

OIL AND GAS

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

OIL AND GAS—Continued

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

OVERSEAS TRADERS

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

PLANTATIONS

Rubbers, Palm Oil

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

Teas

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

MINES

Central Rand

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

Eastern Rand

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

Far West Rand

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

O.F.S.

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

Finance

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

Diamond and Platinum

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

Central African

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

MINES—continued

Australians

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
20½	13½	♥ACM 20c	17	+½	—	—	—
52	28	♥Altair Expl NL	32				—
10½	3¼	♥Aus Oil & Min.	4½				—
40	9	♥Austral. Mng NL	26	+½			—
[illegible]							

Tins

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

Miscellaneous

1983-84 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
[illegible]							

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]					
Eagle Star	60	R H M	7		
F N F C	6½	Rank Org Ord	19	Shell	50
Gen. Accident	42	Reed Intnl	34		30
Gen. Electric	17		0		60
Glaxo	75		14		
Grand Met	30		16	Mines	
G U S 'A'	55		55	Charter Cons	22
Guardian	45		16	Cons. Gold	50
G K N	16		8		8
Hawker Sidd	32		75		58

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 41

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

INSURANCES

[illegible]

Insurances—continued

[illegible]

Capital Life Assurance				
Key Inv Fd	—	127.95		—
Pcmkr Inv Fd	—	128.48		—
Equity Fd	109.86	115.84		—
Fxd Int Fd	105.63	111.21		—
Propty Fd	102.02	108.44		—
Cash Fd	101.43	108.77		—
Managd Fd	111.37	117.23		—
Col Mut Life (Pension Annuities)				
MdPnCpA/8	99.30	104.54		—
MdP4InvA 8	99.57	104.82		—
Commercial Union Group				
St Helens, 1 Undershaft, EC3. 01-283 7500				
VarAmAcF0t8	—	157.86		—
VarAnnFb24	—	34.38		—
Prime Series—Life				
Managed	133.3	140.4	+0.4	—
UK Equity	138.2	145.5	+0.5	—

Offshore & Overseas—continued

[illegible]

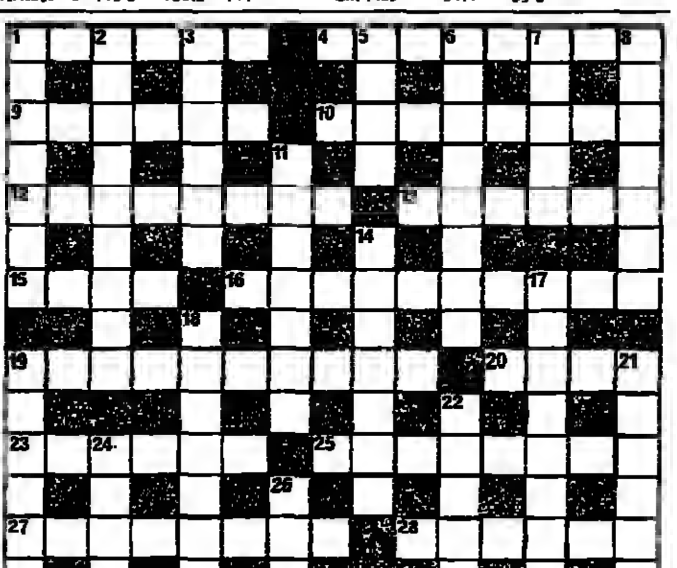
Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

F.T. CROSSWORD PUZZLE No. 5,350



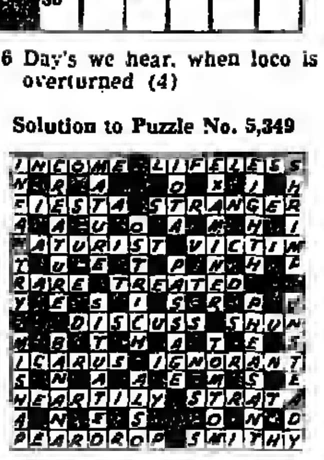
ACROSS

1 What could be head of femur—soil's turned over to show it? (6)
4 Treeless area and work of banks (8)
9 Famous sailor in hold (6)
10 Prevail over silly mid-on before tea-break (8)
12 Indications of mourning? A jolly group's needed (3-5)
13 Constitutional street-register (6)
15 It stops play—Somerset's play? (4)
16 Urban Scot Anna Brodie converted (10)
19 Personal take-off from runway? (6-4)
20 Capital of Czechoslovakia (4)
23 Go late, becoming tied in bars (6)
25 Still DIY repair for Tennyson, for example (8)
27 It takes a turn for the better (8)
28 Space in French lake and Italian one (6)
29 Going to Monte Carlo?—Get doctor to call (8)
30 Port for very large nurse (6)

DOWN

1 Loud, not sporting place of entertainment (7)
2 Gravity of troubled times only (9)
3 Weatherman's line—cry of grief in fresh air (6)
5 Cat's-paw put up for rhino? (4)
6 Flying kites in a Roman road—not I, anyhow . . . (8)
7 . . . that is as far as a Tiger Moth can go—one mile past (5)
8 Irritation to wartime scramblers? (7)
11 Eccentric, strange dance (7)
14 French dogs in prickly shrub—extremely dangerous (7)
17 Found a school? (9)
18 Jersey, Guernsey etc (8)
19 Turning-point for mechanics (7)
21 Leaving port in error, there is room for improvement (7)
22 Behaves like loose flotsam, endlessly (6)
24 Smallest of litter at pig's tail—what will it do? (5)
26 Day's we hear, when loco is overturned (4)

Solution to Puzzle No. 5,349



INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.		250.72	.....	—
Managed Inv. Fd.	167.73	176.56	.....	—
Property Fd.	153.12	161.18	.....	—
Fixed Interest Fd.	148.81	156.65	.....	—
Cash Fd.	137.97	145.24	.....	—
Income Fd	196.83	207.19	.....	—
Extra Income Fd.	188.24	198.15	.....	—
Worldwide Growth Fd.	236.57	249.03	.....	—
Balanced Fd.	195.32	205.60	.....	—
Smlr Co's & Recy. Fd	222.01	233.70	.....	—
Int. Technology Fd.	270.21	284.44	.....	—
Nth. Amer. & Gen. Fd.	160.43	168.88	.....	—
Energy Int. Fd.	111.90	117.79	.....	—
Pacific Basin Fund	160.26	168.70	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Managed	116.7	122.8	.....	—
Property	119.6	125.9	.....	—
Equity	125.2	131.8	.....	—
International	129.4	136.2	.....	—
Fixed Interest	103.8	109.3	.....	—
Deposit	101.1	106.4	.....	—
Managed Pen. Cap.	116.4	122.5	.....	—
Property Pens. Cap.	120.5	126.9	.....	—
Equity Pens. Cap.	120.0	126.3	.....	—
Intnl. Pens. Cap.	133.2	140.2	.....	—
Fixed Int. Pens. Cap.	100.0	105.3	.....	—
Deposit Pens. Cap.	98.2	103.4	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth Jan 31		107.1	.....	—
Rtmt. Fed. Jan. 6		280.3	.....	—
Managed Pen Fund	187.5	197.4	.....	—
Property Pen Fund	117.7	123.9	.....	—
Index Lnkd Pen Fund	112.6	118.5	.....	—
Managed	127.4	134.4	.....	—
Property	106.3	111.9	.....	—
Gilt and Fixed Interest	108.8	114.6	.....	—
Index-Linked	97.3	102.5	.....	—
Equity	128.2	135.0	.....	—
Cash	106.4	112.0	.....	—
Midland Bk. Unit Tst.	126.2	132.9	.....	—
Midland Bank Intnl.	144.9	152.6	.....	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ 01-628 8131

G.T. Plan Bond Fund	123.7	130.3	-0.3	—
GT Pln High Yld Fnd	130.4	137.3	.....	—
GT Plan Far East Fnd	126.7	131.4	.....	—
GT Plan N. Am Fd	124.9	131.5	.....	—
GT Pln UK&G.E. Fnd	148.2	156.1	.....	—
GT Pln Wrldwde Fnd	146.2	153.9	.....	—
GT Pension Bnd Fnd	135.4	142.6	-0.3	—
GT Pen High Yld Fd	150.0	157.9	.....	—
GT Pen Far East Fd	156.7	165.0	.....	—
GT Pen N. Am Fd	175.1	184.4	.....	—
GT Pen UK & G E. Fd	171.5	180.6	.....	—
GT Pen Worldwide Fd	156.9	165.2	.....	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	172.0	181.1	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		258.8	.....	—
Portfolio Fd. Init.		210.8	.....	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd B'mouth. 0202 767655

Managed Fd.	276.5	291.4	.....	—
Money Fd	157.4	165.7	.....	—
Equity Fd.	231.5	246.1	.....	—
Fixed Int. Fd.	119.5	125.9	.....	—
Property Fd	175.4	184.8	.....	—
Managed Pen. Fd	271.6	286.2	.....	—
Equity Pension Fd	175.1	184.5	.....	—
Fixed Int. Pen. Fd	168.6	177.7	.....	—
High Yield Pen. Fd	166.4	175.3	.....	—
Money Pension Fd	131.4	138.3	.....	—
Property Pension Fd	129.3	136.2	.....	—
Gresham/Fleming				
American & Gen. Fd.	220.8	232.7	-0.3	—
Income Fd	207.6	218.8	+1.0	—
Int'l. Growth Fd	260.5	274.5	+1.1	—
Capital Fund	214.9	226.4	.....	—
Recovery Fund	161.3	170.0	.....	—
Japan & Gen Fd	96.2	101.4	.....	—

Growth & Sec. Life Ass. Soc. Ltd.

OFFSHORE AND OVERSEAS

NOTES

COMMODITIES AND AGRICULTURE

Further fall for cocoa prices

BY RICHARD MOONEY

COCOA PRICES fell again on the London futures market yesterday as dealers re-assessed 1983-84 supply-demand prospects in the light of the recent improvement in West African crop indications.

The May position fell £26 to £1,670.50 a tonne taking the fall over the past week to £161 a tonne. The price is now £360 below the five-year peak reached at the beginning of last month.

A sharp increase in purchases by the Ghana Cocoa Marketing Board in recent weeks has resulted in crop estimates for that country being raised by 25,000-30,000 tonnes and encouraged hopes that the Ivory Coast's crop might also be bigger than expected.

The Ivorian main crop, which had been forecast as low as 320,000 tonnes, is now generally expected to reach 360,000 tonnes. Cameroun production is being estimated at around 100,000 tonnes, up about 5,000 tonnes from earlier forecasts, and Nigeria's crop is now expected at up to 170,000 tonnes, 20,000 tonnes above recent estimates.

Last year's sustained rise in cocoa prices, which culminated in a £600 a tonne advance in the last two months of the year, was prompted by fears that drought and bush fires had done serious damage to West African crops. It now appears that earlier damage estimates were overstated.

As recently as last month London trade house Gill and Duffus was estimating that world cocoa production for 1983/84 would fall short of consumption by about 92,000 tonnes but most traders now expect the deficit to be between 30,000 and 40,000 tonnes. Some think even that figure is too high and that a small production surplus is not out of the question.

Lyng offers little hope on tax call

Mr Richard Lyng, U.S. deputy agriculture secretary, said in Washington there is little chance that the EEC will go ahead with a proposal to place a consumption tax on vegetable oils and fats.

Mr Lyng said he will go to Geneva at the end of March for bilateral agricultural trade talks with the EEC and for talks under the General Agreement on Tariffs and Trade on farm subsidies.

He told a meeting of the American Soyabean Association that the Gatt session will be to review what constitutes a subsidy.

Rapeseed oil go-ahead likely

The U.S. Food and Drug Administration is expected to approve Rapeseed oil for use in the U.S. soon, said Administration officials.

Private analysts said the approval could depress the domestic soyabean oil market.

Jimmy Burns looks at efforts to increase use of fertilisers

Argentina pins hopes on farm sector

ARGENTINA'S Centre-Left radical Government has been criticised in the 2½ months since taking power for its slowness in tackling some of the country's more pressing economic problems. Sr Lucio Reca, the Agriculture Secretary, hopes to be proving an exception. He has moved quickly to satisfy the demands of the country's farmers, who often complain of lack of government support.

Last week Sr Reca announced an ambitious programme aimed at increasing the use of fertiliser in what the government hopes will be regarded by the private sector as the "acceptable face" of a government which had been condemned as "interventionist."

Argentina's traditionally high inflation and unstable exchange rate have made many farmers reluctant to increase production with fertilisers.

But with the new measures spelled out by Sr Reca, Argentine farmers will find the cost of fertiliser equivalent to that in the U.S. and other Western countries, and thus a much more attractive proposition.

The government will reduce value added tax on all fertilisers from 18 per cent to 5 per cent and abolish a 25 per cent import duty on nitrogen-based fertilisers. Sr Reca said: "We hope that the fertiliser project will have a dynamic effect on Argentine agriculture and will encourage a general trend towards modernisation."

But the priority status given to the fertilisers underlines the importance the government now attaches to the agrarian sector as the country's main engine of growth.

Once again the countryside is expected to come to the rescue in the delicate problem of servicing Argentina's foreign debt, which according to revised central bank figures is now as high as $43bn.

Farmers wishing to increase production through the use of fertilisers will be subsidised with preferential credit from the leading state-owned bank, the Banco de la Nacion, which in turn is negotiating a loan from the Inter-American Development Bank.

The optimists in the government believe that with an increase in the area under cultivation, more use of new high-yield seed varieties, and the fertiliser project, Argentina may well be on course for meeting the ambitious target set just before last year's elections, by the influential farmers' association the Sociedad Rural. The association said: "With the right kind of policies we can boost our agricultural production by 40 per cent over the next five years."

Such sentiments have been encouraged by the 1983-84 wheat harvest and the latest forecast for coarse grains and oil seeds which combined have contributed to the only good news on the economic front of which the new government has been able to boast since taking power.

Latest official estimates put this year's wheat harvest at 11.7m tonnes. This is a 22 per cent drop from last year's production, largely brought about by very hot weather and lack of rain during the growing stage.

Nevertheless, the figure represents the second highest wheat production figure ever in Argentina and compares extremely favourably with the 8.1m tonnes crop of two years ago.

Grain traders expect this year's crop will produce an exportable surplus of about 7.2m tonnes. At the end of January, more than 6m tonnes had already been committed, according to traders.

Although the Soviet Union will take most, buying up to 3.5m tonnes, the government has been pursuing an aggressive policy of diversification. President Alfonsin's pursuit of much closer political relations with the non-aligned movement and Argentina's Latin American neighbours has helped in the sale of 750,000 tonnes and 500,000 tonnes of wheat to Brazil and India respectively.

Argentina's export potential may, however, be undermined slightly by continuing problems with the country's grain shipping programme. One important river remains heavily silted after last year's flooding, and a fire in Buenos Aires port has delayed loading.

Transplant pioneer switches to cattle

By Our Own Correspondent

HEART TRANSPLANT pioneer Prof Christian Barnard has switched his surgical skills to pedigree livestock.

He is performing a series of embryo transfer operations on the Simmental beef cattle which graze his mountain pastures in South Africa.

And there is a possibility that when he visits Europe on a farming mission next month, Prof Barnard will take the opportunity to study artificial stock breeding techniques in Britain.

Mr David Gannt, general secretary of the British Simmental Cattle Society, said: "Professor Barnard has already carried out a number of embryo transplants and he intends to do more.

"So we have invited him to look at some of the work going on in this country. If he is able to do so, I expect he will also want to see some of our top Simmental herds at the same time."

Prof Barnard, who recently retired from Cape Town's Groote Schuur Hospital, has been breeding Simmentals for two years.

He now has 40 pedigree females, including some from West Germany, on his farm in the famous Golden Route—the coastal strip between Cape Town and Port Elizabeth.

His aim is to build up as quickly as possible one of the best herds in South Africa, where Simmental numbers are now approaching 1m.

Mr Robin Forrest, British Simmental breed society president, said: "Embryo transplanting should certainly help Prof Barnard to speed up his herd expansion programme."

Tate & Lyle may return to Jamaica

BY CANUTE JAMES IN KINGSTON

TATE & LYLE may re-enter the Jamaican sugar industry, which it left several years ago, according to local reports.

Industry experts said contacts have been made between representatives of Tate & Lyle and the Jamaican Government's special divestment committee, which has been charged with finding suitable buyers or lessees for state-owned mills. Production of sugar in Jamaica has dropped sharply in recent years from more than 400,000 tonnes a year to only 195,000 tonnes in 1983.

It is thought that several sugar companies have been approached to see whether the decline in output can be reversed. Tate & Lyle would be an obvious candidate in view of its long historical association and experience in Jamaica. Also, Tate & Lyle is the main buyer of Jamaican sugar exported to the EEC under the Lomé Convention.

Our Commodities Staff writes: Mr Frank Thomlinson, managing director of Tate & Lyle's UK division, said the company had an obvious interest in helping Jamaica to ensure its supplies under the Lomé Convention.

Pepper exports show increase

PEPPER EXPORTS from the east Malaysian state of Sarawak rose to 1,921 tonnes in September from 1,545 in August and 1,900 in September 1982, the Pepper Marketing Board said.

But exports in the first nine months of 1983 fell to 12,782 tonnes from 19,072 in the same 1982 period.

Tea prices up

THE AVERAGE price of all tea sold at the London auction on Monday rose to 261.28 pence/kilo from 257.18 last week, the Tea Brokers Association of London said yesterday.

S. African maize imports likely to rise

BY BERNARD SIMON IN JOHANNESBURG

DROUGHT DAMAGE to South Africa's maize crop in recent weeks means that the country may this year, for the first time, import more maize than it produces.

Farmers in other sectors are also counting the cost of the second consecutive year of drought which, ironically, has coincided with devastating floods in the eastern parts of the country.

The Natal sugar industry, which lost around 0.7m tonnes of cane in last month's floods, is likely to increase its borrowings from R188m (£106m) to R300m this year to pay for drought damage in 1983.

Mr Hennie Nel, general manager of the Maize Board, said yesterday that local deliveries of maize are unlikely to exceed 3.5m tonnes this year, about the same as in 1983. But unlike last year, when 1.2m tonnes were carried over from the previous crop, stockpiles have now been exhausted.

According to Mr Nel, imports "could go as high as 4m tonnes" in 1984, compared with just more than 3m tonnes since the import programme started last June. Imported maize has been bought mainly from the U.S. and Argentina.

South Africa was the world's fifth largest maize exporter two years ago, and the switch to being a net importer is a major blow for the balance of payments.

The cost of imports so far is around R400m, and is expected to rise to at least R800m this year.

An official of the Oilseeds Board said that imports of groundnuts and sunflower oil are expected to be roughly the same this year as in 1983, when South Africa bought 20,000 tonnes of groundnuts (compared with normal exports of 35,000 tonnes) and 100,000 tonnes of sunflower oil abroad.

Smelting to resume

THE ZELLIDJA lead smelter in Morocco is to resume production this week after a seven-week shutdown, possibly heralding an easing in premiums currently being paid for higher grade lead, said Exsud sales agents for the smelter.

The closure of the 5,000 tonne per month smelter disrupted supplies to Europe of 99.99 per cent grade lead. Although a force majeure declaration was avoided Italy and Greece were especially hard hit, and efforts to cover requirements from other sources have been a major contributor to recent tightness in supplies of high-grade lead in Europe, he said.

PRICE CHANGES

In tonnes unless stated otherwise	Feb. 22 1984	+ or −	Month ago
Metals			
Aluminium	£1100		£1100
Free Mkt	$1050/1080		$1080/1115
Copper			
Cash h Grade	£997.25	−1.25	£971.75
3 mths	£1018.75	−3.5	£996.75
Cash Cathode	£985.75	−3	£966.5
3 mths	£1006.75	−3.5	£984
Gold troy oz	$394.75	+6.25	$366.625
Lead Cash	£280.5	−3.75	£270.15
3 mths	£289.75	−4.5	£281.25
Nickel	£5025.64		£4948
Free Mkt	206/225c		206/226c
Palladium oz	$152.25	+1	$155.25
Platinum oz	$275.30	+1.75	$285.85
Quicksilver†	$290/300		$302/308
Silver troy oz	650.45p	+11.15	676.65p
3 mths	664.95p	+11.35	690.50p
Tin cash	£8555	−70	£8660
3 months	£8672.5	−70	£8796
Tungsten	$15.07		$74.41
Wolfram 22.04lb	$70.75		$74/78
Zinc	£680.5	+10	£688.5
3 mths	£677.75	+8	£684.75
Producers	$1,050		$1010
Oils			
Coconut (Phil)	$1180v		$1130
Groundnut	‡		‡
Linseed Crude	£397		£444
Palm Malayan	$675x	−15	$640
Seeds			
Copra Phil	$740w		$790
Soyabean (U.S.)	$294.5z	−1.5	$310.75
Grains			
Barley Fut. May	£120.20	+0.10	£120.50
Maize	£147.00		£146.50
Wheat Fut. May	£124.40	+0.15	£121.35
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£1725	−30	£2053
Futures May	£1670.5	−26	£1998.8
Coffee Ft. May	£1910.5	−18	£2108
Cotton A Index	84.30c		87.30c
Gas Oil May	$241.5	−1.5	$256.75
Rubber (kilo)	89p		88p
Sugar (raw)	£116w	−5.5	£115.6
Wooltops 64s	472 pkil		464pkil

‡ Unquoted. v April. z March. x May. w Feb-March. y March-April. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

The gas oil market opened strongly, relative to the New York close, and remained near the highs through most of the morning. Prices moved down to the lows in early afternoon, rallied on light short-covering and remained towards the top of the range for the rest of the day, reports Premier Man.

CRUDE OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per brl		
Mar	30.09	−0.16	30.15-30.06
April	29.60	−0.18	29.62-29.58
May	29.00	−0.24	—
June	28.50	−0.24	—
July	28.20	−0.24	—

Turnover: 18 (4) lots of 1,000 barrels.

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.45-28.60	—
Iranian Light	21.60	—
Arab Heavy	20.55-20.85	—
North Sea (Forties)	28.50-28.60	−0.07
North Sea (Brent)	29.00-29.80	+0.03
African (BonnyLi'ht)	29.60-29.90	—
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	270-277	+2
Gas Oil	25 1254	−8
Heavy fuel oil	171-178	—

GAS OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Feb	243.50	−1.50	244.00-243.0
Mar	241.60	−1.50	242.25-241.2
April	258.75	−0.75	259.00-257.5
May	236.80	−0.75	250.25-235.5
June	236.00	—	236.00-234.2
July	236.00	−1.00	236.50-235.0
Aug	238.50	−0.25	238.00-237.5
Sept	259.00	−1.50	258.75
Oct	242.00	−1.25	—

Turnover: 1,514 (2,349) lots of 100 tonnes.

GOLD MARKETS

Gold rose $6½ an ounce from Tuesday's close in the London bullion market yesterday to finish at $394¼-395, its highest closing level since December 8. The metal opened at $389½-390 and traded between a high of $396¾-397¼ and a low of $388¾-389¼.

In Frankfurt the 12½ kilo bar was fixed at DM 33,795 per kilo ($393.52 per ounce) against DM 33,870 ($389.31 and closed at $395-395½.

In Paris the 12½ kilo bar was fixed at FFr 104,500 per kilo ($394.64 per ounce) in the afternoon compared with FFr 104,000 ($392.56) in the morning and FFr 104,250 ($388.04) on Tuesday afternoon.

LONDON FUTURES

Month	Yest'days close	+ or −	Business Done
	$ per troy ounce		
Feb	—		—
April	399.80-99.90	+7.05	401.30-95.00
June	400.50-06.50	+6.90	407.10-02.20
Aug	413.00-15.50	+7.55	—
Oct	418.50-20.50		—
Dec	426.80-28.00		—

	Feb. 22		Feb. 21	
Gold Bullion (fine ounce)				
Close	$394½-395	(£271½-270)	$388¼-388¾	(£269-269½)
Opening	$389½-390	(£268¾-269¼)	$385¾-386¼	(£268½-266)
Morning fixing	$392	(£270.346)	$388.35	(£267.943)
Afternoon fixing	$395.20	(£271.648)	$380	(£268.554)

Gold and Platinum Coins Feb. 22

Krugrnd	$407-407¾	(£280¼-280¾)	King Sov	$93½-95	(£64½-65¼)
½ Krug.	$209¾-210½	(£144½-145)	Victoria Sov	$93½-90	(£64½-60¼)
¼ Krug.	$101-107¾	(£70¼-74¼)	French 20s	$77½-78¾	(£53½-55)
1/10 Krug.	$43¾-44½	(£30-30¼)	50 Pesos Mex	$488¼-490¼	(£330¼-337¾)
Mapleleaf	$406¾-407½	(£280-280½)	100 Cor Aust	$386-390	(£266¾-268½)
New Sov	$93-94	(£64-64¾)	$20 Eagles	$545-550	(£375¼-382)
½ New Sov.	$55¾-56½	(£38½-39)	Noble (Plat.)	$408¼-410½	(£280-283)

EUROPEAN MARKETS

ROTTERDAM, February 22.

Wheat—(U.S. $ per tonne): U.S. No. 2 Red Winter: March 151, April 151, [illegible] July 192.50, Aug 292.50, Sept 287.25, Oct 275.25, Nov 275.25, Dec 279, Jan 283, Feb 287.75, sellers. [illegible]

PARIS, February 22. [illegible]

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES lost further ground on the London Metal Exchange in the wake of the rise in sterling against dollar. Copper touched a low of £1,018 before closing at £1,018.25 following weakness in the March position on Comex, while chartist selling lowered Lead from £293 to a close of £286. Zinc initially moved up to £679 but fell away in line with copper to end the day at £674.5. Heavy hedge selling and currency considerations promoted a sharp decline in Tin which dipped to £8,660 prior to closing the late Kerb at £8,667.5. Sterling/dollar fluctuations affected Aluminium and Nickel which were finally quoted at £1,039.5 and £3,263 respectively.

COPPER

Amalgamated Metal Trading reported that in the morning three months Higher Grade traded at £1,021.50, 22, 2.50, 22, 23, 23.50, 24, 23.50, 23, 22.50, 22. Cathodes: Cash £991, three months £1,011.50. Kerb: Higher Grade: Three months £1,023, 23.50. Afternoon: Higher Grade: Three months £1,018, 17, 18, 18.50, 18, 17.50, 19. Cathodes: Three months £1,006. Kerb: High Grade: Three months £1,019, 17, 16.50, 17, 18. Turnover: 15,475 tonnes. U.S. producers 68.50-72 cents per pound.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
[illegible]				

TIN

[illegible]

LEAD

[illegible]

ZINC

[illegible]

ALUMINIUM

[illegible]

NICKEL

[illegible] £3,270, 65, 64, 63, 62, 61. Kerb: Three months £3,261. Turnover: 654 tonnes.

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −
Spot	3197-200	−4	3195-90	−2
3 months	3270-2	−5.5	3261-2	—

SILVER

Silver was fixed 11.15p an ounce higher for spot delivery in the London bullion market yesterday at 650.45p. U.S. cents equivalents of the fixing levels were: spot 942.2c, up 16.2c; three-month 965c, up 16c; six-month 993.5c, up 18.2c; and 12-month 1,039.9c, up 16.3c. The metal opened at 640¼-642¼p (928-931c) and closed at 648¼-651¼p (942-945c).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	650.45p	+11.1	648p	+10.5
3 months	664.95p	+11.3	662.5p	+10
6 months	680.20p	+11.3	—	
12 months	710.70p	+11.0	—	

LME—Silver (2,000 oz contract): cash 646p (631.5p); three months 661p (625.5p). Turnover: 2 (nil).

Turnover: 157 (119) lots of 10,000 ozs. Morning: large three months 664.0, 66.0, 65.5, 66.0, 66.5, 67.0. Kerb: large three months 668.0, [illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

POTATOES

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

MEAT/FISH

[illegible]

INDICES

FINANCIAL TIMES

[illegible]

REUTERS

[illegible]

MOODY'S

[illegible]

DOW JONES

[illegible]

AMERICAN MARKETS

NEW YORK, February 22.

Precious metals were sharply higher on a strong tone in foreign currencies and on the prevailing concern about the Straits of Hormuz being blocked by Iran, reports Heinold Commodities. Copper prices recovered with a strong rally based mostly on arbitrage buying against stronger sterling. Aluminium prices did not follow the trend towards higher prices in metals and closed moderately lower on fundamental considerations, namely ample industry stocks. Sugar prices rallied on commission house short-covering mostly based on strong currencies which relegated all fundamental considerations into the background. Cocoa prices edged higher on commission house short-covering and moderately higher supported by light but steady roaster buying.

NEW YORK

[illegible]

CHICAGO

[illegible]

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CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar in retreat

The factors supporting the dollar and sterling on Tuesday were shown to be very fragile yesterday, and both currencies lost ground, although the pound showed a useful gain in terms of the dollar. News from the Gulf about the war between Iran and Iraq failed to sustain the dollar and sterling's improvement, mainly because the market no longer views seriously Iran's threat to block the Straits of Hormuz, and does not expect any major dislocation in world oil supplies.

Attention in the market switched back to economic fundamentals and, with the U.S. economy giving rise to some concern, particularly the very large trade deficit, even the prospect of continuing high U.S. interest rates could not sustain the dollar. International funds were once again attracted to the more stable German economy, and dealers reported very active trading in favour of the D-mark against the dollar.

The dollar fell to DM 2.6635 from DM 2.7035 against the D-mark; FFr 8.2125 from FFr 8.3425 against the French franc; SwFr 2.1925 from SwFr 2.2175 in terms of the Swiss franc; and Y233.20 from Y234 against the Japanese yen.

On Bank of England figures the dollar's trade-weighted index fell to 128.1 from 129.2.

STERLING — Trading range against the dollar in 1983-84 is 1.6245 to 1.3955. January average 1.4080. Trade-weighted index 82.4, compared with 82.3 at noon, 82.4 at the opening, 82.7 at the previous close, and 85.8 six months ago.

Sterling opened at $1.4510-1.4520 and fell to a low of $1.4475-1.4485 in the morning, before touching a peak of $1.4550-$1.4560 in the afternoon. The pound closed at $1.4505-1.4515, a rise of 70 points on the day. Sterling also rose to Y338.50 from Y338, but fell to DM 3.8675 from DM 3.9050; FFr 11.9150 from FFr 12.0450; and SwFr 3.1825 from SwFr 3.2050.

D-MARK — Trading range against the dollar in 1983-84 is 2.8425 to 2.3320. January average 2.8109. Trade-weighted index 126.9 against 126.2 six months ago.

The D-mark was very firm against the dollar and most other major currencies at the Frankfurt fixing. There was no intervention from the Bundesbank when the dollar fell to DM 2.6708 from DM 2.7084 after a sharp decline in New York overnight. Traders reported that the renewed weakness of the dollar was partly due to European banks liquidating long dollar positions after it was realised that U.S. operators were not pushing the dollar up as expected. It had been wrongly assumed that U.S. banks were short of dollars going into the long holiday weekend and would be forced to cover after the alarming news about the wars in the Middle East, but U.S. traders were probably roughly square at Friday's close.

BELGIAN FRANC — Trading range against the dollar in 1983-84 is 57.92 to 45.90. January average 57.34. Trade-weighted index 90.2 against 91.6 six months ago.

The Belgian National Bank spent the equivalent of BFr 23.1bn to support the Belgian franc against the D-mark during the week ended February 20. The intervention was financed through short-term credits from the European Monetary Co-operation Fund, and was concentrated around the end of last week. There has been little or no intervention so far this week, but dealers suggested that pressure is building up again because of decline of the dollar. This has mainly shown itself in renewed demand for the D-mark, making it difficult for weaker members of the EMS, such as the Belgian franc, to keep up. The authorities did not increase the discount rate at the regular meeting of the central bank yesterday, but the 1 per cent rise last week has failed to support the currency, and further measures are expected.

The D-mark rose to BFr 20.4825 from BFr 20.48 at the Brussels fixing, but was just under its EMS ceiling of DM 2.4835. The French franc was below its maximum permitted level of BFr 6.68, but rose to BFr 6.64 from BFr 6.6370. The dollar fell to BFr 54.69 from BFr 55.49.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU February 22	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.9140	+2.26	+1.94	±1.5447
Danish Krone ...	8.14104	8.18725	+0.57	+0.25	±1.6425
German D-Mark	2.24184	2.24200	+0.07	−0.31	±1.0642
French Franc ...	6.87456	6.91395	+0.57	+0.25	±1.4052
Dutch Guilder ...	2.52595	2.52854	+0.10	−0.22	±1.4964
Irish Punt	0.72569	0.728677	+0.41	+0.09	±1.6699
Italian Lira	1403.49	1387.41	−1.15	−1.15	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York (latest)

	Feb. 22	Prev. close
Spot	$1.4525-4535	$1.4455-4465
1 month	0.07-0.10 dis	0.08-0.10 dis
3 months	0.28-0.32 dis	0.30-0.39 dis
12 months	1.49-1.52 dis	1.50-1.57 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Feb 22	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4475-1.4560	1.4505-1.4510	0.07-0.12c dis	−0.78	0.28-0.33dis	−0.84
Canada	1.8040-1.8150	1.8095-1.8105	0.10-0.20c dis	−0.99	0.25-0.35dis	−0.66
Nethlnd.	4.35-4.39	4.35½-4.36½	1⅛-⅞c pm	3.10	3¼-3⅛ pm	3.21
Belgium	79.00-79.60	79.05-79.15	18-28c dis	−3.49	63-73 dis	−3.44
Denmark	14.11-14.12	14.12½-14.13½	1½-1⅞ore dis	−1.22	5¾-6¾ dis	−1.73
Ireland	1.2550-1.2650	1.2565-1.2575	0.24-0.32p dis	−2.67	0.83-1.03dis	−2.96
W. Ger.	3.85½-3.89	3.86½-3.87½	1⅜-⅞pf pm	3.49	3½-3 pm	3.36
Portugal	193.25-194.75	193.50-194.00	265-625c dis	−24.15	725-1315d	−21.06
Spain	221.00-222.50	221.25-221.45	180-205c dis	−10.43	530-580dis	−10.03
Italy	2,389-2,409	2,389½-2,391½	14½-16½lire dis	−7.65	46-48 dis	−7.88
Norway	11.05-11.11	11.06½-11.07½	3½-4ore dis	−3.93	9½-10½ dis	−3.57
France	11.90½-12.00½	11.91-11.92	4-5c dis	−4.53	18-19½ dis	−6.29
Sweden	11.48-11.55	11.49-11.50	1½-2¼ore dis	−2.02	4⅛-4⅝ dis	−1.54
Japan	337-340	338-339	0.83-0.75y pm	2.80	2.34-2.23 pm	2.70
Austria	27.20-27.45	27.23-27.28	8¼-6½gro pm	3.27	23⅞-18¾ pm	3.13
Switz.	3.17-3.20	3.17¾-3.18¾	1⅝-1¼c pm	0.65	4⅝-4⅛ pm	5.60

Belgian rate is for convertible francs. Financial franc 82.20-82.30. Six-month forward dollar 0.67-0.72c dis. 12-month 1.50-1.60c dis.

THE DOLLAR SPOT AND FORWARD

Feb 22	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4475-1.4560	1.4505-1.4515	0.07-0.12c dis	−0.78	0.28-0.33dis	−0.84
Ireland†	1.1510-1.1580	1.1580-1.1590	0.23-0.20c pm	2.23	0.62-0.55 pm	2.02
Canada	1.2467-1.2480	1.2475-1.2480	0.02c pm-par	0.10	0.06-0.02 pm	0.14
Nethlnd.	2.9990-3.0180	3.0030-3.0050	1.08-0.98c pm	4.12	3.06-2.96 pm	4.04
Belgium	54.40-54.80	54.51-54.53	9-10½c dis	−2.15	29-33 dis	−2.28
Denmark	9.7150-9.7680	9.7325-9.7375	.15ore pm-.35dis	−0.12	.40pm-.10dis	0.06
W. Ger.	2.6550-2.6870	2.6630-2.6640	0.96-0.91pf pm	4.22	2.75-2.70dis	−4.10
Portugal	132.45-134.25	132.45-132.96	175-350c dis	−23.57	450-850dis	−18.45
Spain	152.55-153.25	152.55-152.65	115-130c dis	−9.63	330-370 dis	−9.17
Italy	1,647-1,658½	1,647½-1,648½	9½-10½lire dis	−7.19	28½-29½dis	−6.98
Norway	7.6275-7.6550	7.6275-7.6325	1.70-2.20ore dis	−3.07	0.10-6.60dis	−2.80
France	8.1900-8.2800	8.2100-8.2150	2.70-3.90c dis	−4.09	11.0-11.5dis	−5.48
Sweden	7.9130-7.9475	7.9225-7.9275	½-1ore dis	−1.14	1.15-1.65dis	−0.71
Japan	232.80-233.80	233.15-233.25	0.70-0.66y pm	3.50	2.09-2.04 pm	3.54
Austria	18.73-18.84	18.77-18.78	6.50-5.90gro pm	3.96	18.50-16.50pm	3.73
Switz.	2.1855-2.2070	2.1920-2.1930	1.27-1.23c pm	0.89	3.55-3.51 pm	0.45

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

Belgian rate is for convertible francs. Financial franc 56.68-56.73.

OTHER CURRENCIES

Feb. 22	£	$		£ Note Rates
Argentina Peso...	41.03-41.11	28.36-28.39	Austria	27.15-27.45
Australia Dollar.	1.5400-1.5420	1.0615-1.0620	Belgium	82.00-82.80
Brazil Cruzeiro...	1,671.3-1,681.1	1,101-1,107	Denmark........	14.07-14.21
Finland Markka...	8.3515-8.3590	5.7275-5.7320	France	11.88-12.00
Greek Drachma.	146.30-146.70	101.00-101.30	Germany........	3.85-3.89
Hong Kong Dollar	11.313-11.323	7.7910-7.7935	Italy........	2375-2415
Iran Rial........	137.40*	88.10*	Japan	337-342
Kuwait Dinar (KD)	0.4205-0.4265	0.29305-0.29320	Netherlands......	4.34½-4.38½
Luxembourg Fr..	79.05-79.15	54.51-54.65	Norway	11.04-11.16
Malaysia Dollar..	3.3880-3.3940	2.3335-2.3350	Portugal........	192-205
New Zealand Dlr.	2.1810-2.1960	1.5100-1.5120	Spain........	220-232
Saudi Arab. Riyal	5.0985-5.1040	3.5090-3.5100	Sweden........	11.46-11.57
Singapore Dollar	3.0850-3.0910	2.1250-2.1265	Switzerland......	3.17-3.20
Sth African Rand	1.7520-1.7540	1.2075-1.2090	United States....	1.44-1.46
U.A.E. Dirham...	5.3350-5.3405	3.6720-3.6730	Yugoslavia	203-210

* Selling rates.

CURRENCY MOVEMENTS

Feb. 22	Bank of England Index	Morgan Guaranty Changes%
Sterling........	82.4	−8.7
U.S. dollar........	128.1	+16.7
Canadian dollar....	91.3	+0.0
Austrian schilling..	110.5	+0.0
Belgian franc.......	90.2	−11.4
Danish kroner......	70.1	−6.8
Deutsche mark.....	125.9	+8.5
Swiss franc........	142.3	+11.7
Guilder........	116.9	+4.6
French franc.......	60.6	−15.0
Lira	48.0	−12.8
Yen	164.7	+11.7

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

Feb. 22	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling.......	—	0.720910	0.578431
U.S. $	9½	1.05083	0.839072
Canadian $...	10.00	*	1.04648
Austria Sch.	3¾	19.7703	15.7913
Belgian Fr...	11	57.4699	45.9140
Danish Kr....	7	10.2587	8.18725
D'mark	4	2.80668	2.24200
Guilder.......	5	3.15563	2.52854
French Fr....	9½	8.63464	6.91395
Lira	16	1737.02	1387.41
Yen	5	245.369	195.630
Norwgn Kr..	8	8.03780	6.41471
Spanish Pta.	—	160.569	128.259
Swedish Kr..	8½	8.33573	6.65685
Swiss Fr	4	2.30500	1.84154
Greek Dr'ch	20½	106.491	84.9728

* CS/SDR rate for Feb 21: 1.30766.

EXCHANGE CROSS RATES

Feb. 22	Pound St'rling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.451	3.868	338.5	11.915	3.183	4.360	2391.	1.810	79.10
U.S. Dollar	0.689	1.	2.664	233.2	8.213	2.193	3.004	1648.	1.248	54.59
Deutschemark	0.259	0.376	1.	87.58	3.081	0.823	1.127	618.1	0.468	20.45
Japanese Yen 1,000	2.954	4.287	11.43	1000.	35.20	9.402	12.88	7062.	5.347	233.7
French Franc 10	0.839	1.218	3.246	284.1	10.	2.671	3.659	2006.	1.519	66.39
Swiss Franc	0.314	0.456	1.215	106.4	3.744	1.	1.370	751.1	0.569	24.85
Dutch Guilder	0.229	0.333	0.887	77.64	2.733	0.730	1.	548.3	0.415	18.14
Italian Lira 1,000	0.418	0.607	1.618	141.6	4.984	1.331	1.824	1000.	0.757	33.09
Canadian Dollar	0.552	0.802	2.137	187.0	6.583	1.758	2.409	1321.	1.	43.70
Belgian Franc 100	1.264	1.834	4.889	427.2	15.06	4.023	5.512	3022.	2.288	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 22	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term........	9⅛-9¼	9½-9¾	9⅝-9¾	5⅞-6	1⅛-1⅝	5⅞-5⅞	11¾-12	16-17	11-11⅛	11-11¼	6⅞-7	10⅛-10⅝
7 days' notice....	9⅛-9¼	9⅛-9¼	9⅜-9¾	5⅞-6	6-6¼	5⅞-5⅞	12⅛-12⅝	10¼-17	11¾-38¼	11⅝-11⅝	6⅛-6⅛	10⅛-10⅝
Month	9¼-9⅜	9⁹⁄₁₆-9¹¹⁄₁₆	9⅝-9¾	5⅞-6	3¼-3⅜	5⁹⁄₁₆-5¹¹⁄₁₆	15⅞-14⅛	10⅛-17¼	12-12⅛	11⅝-11⅞	6⅛-6⅛	10¼-11
Three months......	9⅜-9⁷⁄₁₆	10-10¼	9⅞-10	6-6⅛	3⅛-3⅜	5⁹⁄₁₆-5¹¹⁄₁₆	15⅝-10⅞	17-17½	12⅜-12⅛	11⅞-12⅛	5⅝-6⅛	10⅛-11
Six months........	9⅜-9½	10⅛-10⅜	10-10⅛	6-6⅛	3¾-3⅞	6⁹⁄₁₆-6¹¹⁄₁₆	10¾-10	17⅝-17⅞	12⅛-13	11⅞-12⅛	6⅛-6⅛	10⅝-11⅛
One year..........	9¾-9⅞	10⁷⁄₁₆-10⁹⁄₁₆	10⅝-10⅝	6⁹⁄₁₆-6¹¹⁄₁₆	4⅛-4¼	6⁹⁄₁₆-6¹¹⁄₁₆	15⅞-16⅛	17¾-18⅛	12-12⅛	11⅞-12⅛	6⅛-6⅛	11-11½

Asian $ (closing rates in Singapore): Short term 9²¹⁄₃₂-9²³⁄₃₂ per cent; seven days 9¾-9⅞ per cent; one month 9²⁵⁄₃₂-9²⁷⁄₃₂ per cent; three months 10¹⁄₁₆-10³⁄₁₆ per cent; six months 10⅜-10½ per cent; one year 10⅝-10¾ per cent. Long-term Eurodollars two years 11¼-11½ per cent; three years 11⅝-12 per cent; four years 12⅛-12⅜ per cent; five years 12⅜-12⅝ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days' notice.

MONEY MARKETS

London rates remain steady

Interest rates remained steady on the London money market yesterday, with three-month interbank unchanged at 9¹¹⁄₁₆ per cent, and discount houses buying rates for three-month bank bills unchanged at 8⅞-8¹⁵⁄₁₆ per cent. Trade was very quiet.

The Bank of England forecast a money market shortage of £500m and invited an early round of bill offers to add liquidity to the market. The shortage was later revised to £550m, and the authorities provided total help of £547m.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills drained £160m, while the unwinding of repurchase agreements on bills absorbed £527m, a rise in the note circulation £75m, and bank balances below target another £40m. These were partly offset by Exchequer transactions adding £320m to liquidity.

The early round of help consisted of £342m bank bills bought for resale on March 26 at 9 per cent. Another £183m bills were also purchased outright in the morning, by way of £19m bank bills in band 1 (up to 14 days maturity) at 9¹⁄₁₆ per cent; £4m local authority bills in band 2 (15-33 days) at 9 per cent; £45m bank bills in band 2 at 9 per cent; £8m Treasury bills in band 3 (34-63 days) at 8¹⁵⁄₁₆ per cent; £5m bank bills in band 3 at 8¹⁵⁄₁₆ per cent; £2m Treasury bills in band 4 (64-91 days) at 8⅞ per cent; and £100m bank bills in band 4 at 8⅞ per cent.

After lunch £22m bills were bought outright through £1m bank bills in band 1 at 9¹⁄₁₆ per cent; £5m local authority bills in band 4 at 8⅞ per cent; and £16m bank bills in band 4 at 8⅞ per cent.

In Amsterdam the Dutch National Bank allocated Fl 3.006bn of seven-day special advances to aid money market liquidity, for the period from today until February 29. Bids were met in full to replace Fl 3.6bn of expiring advances, at an unchanged interest rate of 5½ per cent. Conditions were comfortable as a result of the extra funds.

MONEY RATES

Feb. 22	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.50-5.55	11¾	1-3	5⅝-5⅞	6.05625	10¾-17⅛	12.2	—
One month	5.45-5.60	12⅜-12½	5¼-5⅜	5⅞-6	5.98125	10¾-17⅛	11⅝-11⅞	12⅝-12½
Two months	5.70-5.85	12⅝-12⅞	—	—	—	—	—	12¼-12⅝
Three months	5.85-5.95	12⅝-12⅞	3⅝-3⅞	6-6⅛	6.28125	17-17⅛	11⅞-12⅛	12⅝-12⅞
Six months	5.95-6.10	12⅞-13⅛	—	6-6¼	—	—	11⅞-12⅛	12¾-12⅞
Lombard	5.0	—	—	—	—	—	—	—
Intervention	—	12	—	6⅛	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Feb. 22 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8⅞-9⅜	9⅛	8⅛-9⅜	9-9⅛	—	—	—	—	—
2 days notice...	—	—	9⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice ...	—	9⅛-9¼	9⅛-9¼	9⅜	9-9⅛	—	—	—	—	—
One month......	9⅜-9¼	9¼-9⅛	9¼	9⅜-9⅛	9-9⅛	8	8¹⁵⁄₁₆	9-9¹⁄₁₆	8¹⁵⁄₁₆-9	9⅜
Two months	9¹¹⁄₁₆-9⁹⁄₁₆	9⁷⁄₁₆-9⅜	9⅜	9⅜	9-9⅛	8¹⁵⁄₁₆	8⅞-8¹⁵⁄₁₆	8¹⁵⁄₁₆-8⅞	8¹⁵⁄₁₆-8⅞	9⁷⁄₁₆
Three months ..	9⅝-9⁹⁄₁₆	9⅝-9⁹⁄₁₆	9⅝	9⅝	9-9⅛	8⅞	8¹⁵⁄₁₆	8⅞-8¹³⁄₁₆	8⅞-8¾	9⅛
Six months	9⁹⁄₁₆-9⅝	9½-9⁹⁄₁₆	9⁹⁄₁₆	—	—	—	—	8¹⁵⁄₁₆	8¹⁵⁄₁₆	9⁹⁄₁₆
Nine months ...	9¹³⁄₁₆-9¹¹⁄₁₆	9⅝-9½	9⅝	—	—	—	—	—	—	—
One year.........	9⅝-9½	9¾-9⅝	9⅝	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month......	9⅝-9⅜	—	9⅜	9.75-9.65	8⅞-9⅛	9⅜-9½
Two months....	9⅝-9½	—	9⅜	9.75-9.65	8⅞-9¼	9⅛-9⅜
Three months...	9⅝-9⅜	—	9⁹⁄₁₆	9.8-9.9	9⅛-9⅜	9⁵⁄₁₆-9⁷⁄₁₆
Six months.....	9⅞-9¾	—	9⅞	10.0-10.1	9¼-9½	9⅝-9⅞
Nine months....	9⅞-9¾	—	9¾	10.1-10.3	—	—
One year.........	9⅞-9¾	—	9⅞	10.25-10.35	9⅝-9⅞	10-10⅛
Two years........	—	10¼	—	—	—	—
Three years....	—	10½	—	—	—	—
Four years.......	—	10⅝	—	—	—	—
Five years........	—	10¾	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 4 to February 7, 1984 (inclusive): 9.493 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from February 1, 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rate for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rates of discount 8.8550 per cent. Certificate of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¼ per cent; one-three months 9½ per cent; three-six months 9¾ per cent; six-12 months 10¼ per cent. Under £100,000 9¼ per cent from February 6. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
(11.00 a.m. February 22)

3 months U.S. dollars	
bid 10	offer 10 1/8
6 months U.S. dollars	
bid 10 3/16	offer 10 5/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10¼-10½
Fed funds	9⅝
Fed funds at intervention ...	9½

Treasury Bills

One month	8.85
Two month	9.00
Three month	9.12
Six month	9.27
One year	9.29

Treasury Bonds

Two year	99²⁹⁄₃₂
Three year	99¹³⁄₃₂
Four year	99¹⁷⁄₃₂
Five year	99⅝
Seven year	99²³⁄₃₂
10 year	99⁹⁄₁₆
30 year	99⅞

FINANCIAL FUTURES

Dull trading

Trading was dull in interest rate contracts on the London International Financial Futures Exchange yesterday. The long gilt opened on a firm note, encouraged by better trading in the U.S. bond market overnight and the improvement of the pound against the dollar. By mid-morning the market had run out of steam, however, and trading was very quiet for the rest of the day. Traders remarked that both cash and futures markets in gilts were overhung by the tap stock, which is tending to limit any advance, but that economic fundamentals appear bullish, and the two factors together are leading to stalemate. March gilts opened at 109-03 and touched a high point of 109-05, before closing just above the day's low of 108-25, at 108-27, compared with 109-02 on Tuesday.

Three-month sterling deposits were firm, but volume remained low in a market lacking incentive because London interest rates are expected to show little change for some time.

There was also little enthusiasm about Eurodollar trading, with the June month finishing slightly firmer after showing its best performance during the morning. It touched a peak of 89.60, mainly on covering of short positions, after opening at the day's low of 89.55. The contract finished around the middle of its range at 89.57, compared with 89.55 on Tuesday.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
March	90.05	90.07	90.04	90.04
June	89.57	89.60	89.55	89.55
Sept	89.26	89.28	89.24	89.24
Dec	88.97	88.98	88.96	88.94
March	88.71	—	—	88.67

Volume 2,389 (4,793)
Previous day's open int 11,647 (11,964)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
March	90.85	90.85	90.67	90.80
June	90.58	90.58	90.53	90.53
Sept	90.37	90.37	90.35	90.32
Dec	90.20	90.20	90.19	90.14
March*	90.03	—	—	89.99

Volume 670 (875)
Previous day's open int 6,209 (6,156)
* £500,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	108-27	109-05	108-25	109-02
June	108-09	108-12	108-07	108-14
Sept	107-24	—	—	107-27
Dec	107-08	—	—	107-11
March	106-24	—	—	106-27

Volume 2,391 (2,487)
Previous day's open int 3,965 (3,953)
Basis quote (clean cash price of 13¼% Treasury 2003 less equivalent price of near futures contract) 14 to 24 (32nds).

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4530	1.4560	1.4490	1.4455
June	1.4560	1.4575	1.4551	1.4490
Sept	1.4588	—	—	1.4528

Volume 409 (288)
Previous day's open int 2,341 (2,411)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
March	0.3757	0.3775	0.3736	0.3709
June	0.3807	0.3812	0.3782	0.3748
Sept	0.3844	0.3844	0.3844	0.3781

Volume 519 (328)
Previous day's open int 486 (490)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
March	0.4590	0.4590	0.4563	0.4527
June	0.4641	0.4641	0.4641	0.4589
Sept	—	—	—	—

Volume 20 (3)
Previous day's open int 259 (259)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
March	0.4298	0.4298	0.4293	0.4281
June	0.4338	0.4338	0.4335	0.4320
Sept	—	—	—	—

Volume 42 (48)
Previous day's open int 298 (301)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	69-19	69-22	69-15	69-12
June	68-30	69-02	68-27	68-29
Sept	68-12	68-15	68-10	68-11
Dec	67-27	67-30	67-26	67-26
March	67-12	67-15	67-10	67-10
June	66-29	66-31	66-27	66-27
Sept	66-15	66-17	66-14	66-13
Dec	—	—	—	66-00

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.83	90.85	90.82	90.82
June	90.44	90.47	90.43	90.42
Sept	90.10	90.17	90.15	90.13
Dec	89.90	89.92	89.90	89.89
March	89.68	89.68	89.68	89.67
June	89.50	89.50	89.49	89.50
Sept	89.33	89.33	89.33	89.33
Dec	—	—	—	89.17

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	90.26	90.29	90.25	90.25
June	89.74	89.77	89.73	89.72
Sept	89.35	89.38	89.35	89.34

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
March	89.77	89.79	89.76	89.76
June	89.29	89.31	89.29	89.27
Sept	88.94	88.98	88.94	88.93
Dec	88.65	88.68	88.65	88.64
March	88.38	88.39	88.38	88.38
June	88.13	88.13	88.13	88.12

STERLING (IMM) $s per £

	Latest	High	Low	Prev
March	1.4535	1.4570	1.4510	1.4455
June	1.4575	1.4600	1.4545	1.4490
Sept	1.4610	1.4625	1.4600	1.4500
Dec	1.4625	1.4625	1.4600	1.4610
March	1.4700	1.4700	1.4700	1.4570

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	69-03	69-06	69-02	69-04
June	68-06	68-10	68-04	68-06
Sept	67-13	67-17	67-12	67-13
Dec	66-23	66-25	66-23	66-22
March	—	—	—	—
June	—	—	—	66-17
Sept	65-03	65-05	65-03	65-02
Dec	64-22	64-24	64-22	64-21

MOTOR CARS

ART GALLERIES

CITY OF COPENHAGEN US$25,000,000
6½% 20 YEAR EIGHTH CENTENARY LOAN OF 1967

HAMBROS BANK LIMITED hereby gives notice that in accordance with the terms and conditions of the above loan, the redemption for 15th April 1984 has been effected by the purchase of US$184,000 (nominal) and the under-mentioned bonds amounting to US$1,066,000 (nominal) were drawn on the 10th February 1984 for redemption at par. The outstanding balance after the 15th April 1984 redemption is US$3,750,000 (nominal).

The drawn bonds may be presented to Hambros Bank Limited, 41 Bishopsgate, London EC2P 2AA or to the other Paying Agents named on the bonds.

Bonds surrendered should have attached all unmatured coupons appurtenant thereto. Coupons due 15th April 1984 should be detached and collected in the usual manner.

For payment in London bonds will be received on any business day and must be left three clear days for examination.

Bonds of US$1,000

24	30	31	32	45	14193	14201	14210	14394	14395
86	289	292	295	294	14404	14429	14432	14486	14549
197	298	299	351	353	14558	14578	14636	14926	14927
421	451	461	462	472	14937	15226	15228	15250	15272
474	480	481	491	496	15282	15287	15297	15298	15299
557	558	756	778	779	15347	16172	16187	16221	16224
886	891	892	894	916	16227	16240	16241	16260	16293
925	995	998	1012	1013	16294	16326	16335	16352	16357
1014	1015	1016	1017	1019	16388	16858	16939	17208	17360
1020	1025	1049	1057	1068	17362	17374	17487	17489	17644
1070	1071	1072	1073	1080	17651	17654	17655	17667	17677
1082	1094	1095	1097	1103	17681	17682	17683	17684	18086
1104	1105	1109	1110	1111	18152	18231	18244	18255	18343
1113	1114	1115	1122	1455	18402	18434	18441	18444	18445
1486	1487	1510	1517	1520	18762	18763	18764	18773	18774
1523	1524	1525	1770	1771	18775	18777	18829	18877	19201
1772	1776	1780	1782	1860	19207	19312	19341	19345	19346
1887	1903	1913	2014	2050	19357	19435	19478	19525	19583
2132	2136	2154	2249	2301	19584	19603	19606	19608	19611
2306	2311	2323	2324	2325	19614	19620	19624	19625	19628
2328	2362	2394	2561	2691	19647	19651	19699	19738	19779
2692	2693	2701	2726	2833	19798	19807	19831	19840	19842
2918	2962	2980	2999	3270	19852	19855	19856	19859	19868
3277	3286	3387	3501	3503	19875	19885	19886	19901	19926
3505	3517	3524	3531	3538	19991	20009	20011	20025	20027
3541	3555	3558	3559	3561	20029	20035	20034	20031	20041
3563	3566	3567	3568	3579	20045	20045	20046	20054	20056
3582	3666	3671	3674	3721	20070	20071	20085	20088	20089
3725	3740	3762	3792	3795	20090	20093	20097	20111	20112
3794	3816	3966	4409	4412	20151	20166	20170	20171	20175
4515	4517	4533	4540	4541	20185	20196	20207	20211	20214
4594	4595	4597	4600	4762	20219	20224	20227	20232	20237
4765	4767	4773	4809	4833	20238	20241	20242	20243	20259
4853	4864	4875	4882	4908	20260	20264	20266	20268	20274
4916	5021	5190	5335	5336	20278	20281	20294	20296	20304
5431	5433	5467	5470	5537	20318	20320	20321	20322	20323
5579	5613	5783	5792	6148	20331	20332	20333	20336	20341
6231	6334	6354	6377	6380	20342	20348	20351	20369	20379
6432	6433	6435	6436	6457	20428	20430	20431	20432	20434
6442	6443	6444	6445	6446	20446	20447	20448	20449	20450
6494	6495	6500	6502	6708	20451	20453	20485	20508	20518
6732	6882	7231	7297	7326	20520	20527	20529	20537	20546
7329	7331	7337	7381	7443	20547	20556	20568	20595	20601
7444	7579	7581	7582	7708	20602	20607	20622	20623	20638
7724	7746	7749	7929	7938	20651	20664	20669	20673	20675
7939	7961	7963	7969	7974	20686	20730	20731	20732	20734
8221	8227	8231	8247	8501	20736	20739	20752	20753	20756
8478	8616	8617	8621	8622	20758	20759	20760	20761	20769
8691	8693	8705	8780	8784	20777	20781	20797	20812	20813
8785	8788	8802	8805	8806	20814	20819	20824	20833	20839
8809	8811	8814	8966	8970	20871	20877	20878	20879	20916
9023	9115	9213	9215	9226	20921	20922	20924	20936	20958
9237	9228	9368	9374	9375	20940	20944	20945	20950	20953
9376	9423	9425	9430	9491	20978	20994	21005	21013	21018
9647	9648	9826	9863	9961	21021	21022	21041	21048	21053
9971	9976	9977	9981	9985	21055	21057	21066	21080	21084
9989	10003	10024	10025	10027	21087	21095	21149	21150	21153
10028	10059	10137	10138	10249	21200	21252	21260	21283	21399
10250	10252	10255	10256	10257	21417	21432	21437	21443	21447
10266	10267	10319	10320	10322	21450	21452	21457	21465	21475
10324	10326	10328	10361	10575	21480	21507	21508	21510	21529
10644	10661	10662	10668	10670	21531	21532	21551	21551	21563
10671	10733	10739	10825	10922	21583	21601	21652	21653	21666
10923	11014	11022	11025	11100	21667	21672	21687	21712	21714
11101	11106	11110	11155	11223	21715	21716	21717	21719	21731
11259	11261	11262	11297	11326	21732	21759	21761	21775	21771
11400	11424	11425	11486	11488	21785	21789	21798	21799	21801
11499	11571	11802	11832	11833	21817	21822	21823	21828	21834
12107	12121	12146	12151	12155	21835	21836	21844	21851	21852
12161	12166	12167	12173	12178	21855	21856	21869	21871	21875
12183	12184	12188	12193	12194	21876	21878	21890	21902	21904
12198	12199	12213	12214	12217	21931	21949	21950	21955	21957
12222	12225	12226	12228	12238	21968	21974	21975	21977	22022
12253	12260	12280	12282	12283	22023	22027	22079	22114	22146
12285	12289	12295	12297	12298	22150	22154	22159	22161	22162
12301	12302	12304	12305	12307	22164	22183	22185	22189	22202
12315	12316	12324	12326	12333	22208	22212	22214	22215	22227
12337	12341	12353	12455	12478	22228	22235	22250	22251	22253
12561	12568	12582	12591	12643	22296	22297	22348	22349	22354
12644	12707	12710	12887	12888	22357	22361	22365	22370	22420
13040	13109	13120	13127	13129	22422	22430	22441	22442	22443
13190	13302	13303	13305	13353	22444	22453	22467	22477	22484
13378	13382	13422	13438	13439	22488	22489	22491	22494	22510
13986	13992	14042	14047	14069	22515	22516	22521	22556	22570
14070	14071	14083	14086	14087	22583	22587	22580	22590	22594
14088	14094	14096	14100	14107	22597	22609	22625	22636	22639

22640	22681	22683	22691	22701
22707	22719	22751	22752	22758
22856	22858	22865	22895	22897
22940	22942	22948	22949	22963
22984	22985	22986	22987	22994
22996	22997	22998	23003	23008
23012	23014	23017	23067	23069
23080	23092	23104	23108	23134
23135	23140	23181	23183	23190
23201	23202	23207	23209	23215
23216	23221	23225	23235	23237
23252	23260	23263	23268	23279
23284	23291	23299	23352	23357
23365	23370	23372	23374	23375
23377	23402	23429	23458	23459
23460	23502	23503	23504	23505
23506	23529	23537	23577	23579
23592	23614	23678	23685	23686
23687	23695	23700	23706	23742
23746	23789	23851	23863	23864
23945	23948	23950	24022	24025
24077	24078	24086	24089	24090
24091	24096	24101	24102	24104
24135	24138	24140	24153	24168
24169	24161	24182	24191	24192
24226	24227	24229	24233	24234
24247	24313	24319	24325	24334
24337	24340	24341	24344	24345
24380	24388	24391	24392	24403
24407	24411	24424	24429	24441
24447	24448	24454	24458	24459
24462	24467	24472	24516	24527
24528	24532	24542	24559	24562
24591	24600	24601	24604	24611
24634	24635	24636	24637	24638
24639	24640	24645	24665	24666
24668	24703	24704	24722	24727
24760	24763	24764	24799	24800
24811	24812	24818	24814	24815
24818	24841	24843	24923	24953
24956	24960	24971	24981	24982
24985				

The following bonds from previous redemptions are still outstanding for payment:—

BONDS DRAWN
15th APRIL 1983

13	26	90	237	305
465	522	1197	1519	1768
2138	2307	2309	2310	2330
2332	2335	2339	2340	2344
2345	2387	2478	2479	2480
2694	2702	3756	3761	3871
3874	3875	3922	4512	4556
4560	4593	4598	4775	4776
4777	5530	5606	6149	6209
7061	7218	7442	7512	7553
7950	7970	7971	7972	8539
8542	8689	8811	8813	8968
8986	9016	9037	9038	9208
9268	9421	9436	9429	9450
9451	9452	9560	9563	9995
9999	10119	10140	10178	10431
10444	10452	10491	10971	10974
11015	11016	11017	11098	11099
11109	11117	11118	11139	11286
11373	12069	12123	12405	12412
12435	12445	12560	12562	12567
12642	12708	12712	12882	12886
12893	15110	13448	13452	13803
13984	14044	14082	14101	14120
14121	14191	14206	14211	14484
14487	14530	15291	15441	15544
15554	16237	16295	16321	16330
16363	16458	16459	16590	16591
16597	16598	16674	16846	16935
17217	17647	17659	17660	17661
17634	17678	17679	17714	18160
18769	19528	19782	19965	20514
21440	21626	21673	22134	22496
23125	23330	23331	23332	23337
23330	23461	23466	23470	23486
23539	23541	24200	24962	24963

HAMBROS BANK LIMITED
23rd February, 1984

COMPANY NOTICES

Bank of Tokyo (Curaçao) Holding N.V.
(Incorporated with limited liability in the Netherlands Antilles)
£30,000,000
GUARANTEED FLOATING RATE NOTES DUE 1990

Unconditionally Guaranteed by
The Bank of Tokyo, Ltd.
(Incorporated with limited liability in Japan)

In accordance with the provisions of the Notes, notice is hereby given that the rate of Interest for the three months period 21st February, 1984 to 21st May, 1984 has been fixed at 9⁷⁄₁₆ per cent. per annum. Coupons No. 2 will therefore be payable on 21st May, 1984 at £1,175.72 per coupon from Notes of £50,000 nominal and £117.57 per coupon from Notes of £5,000 nominal.

S.G. WARBURG & CO. LTD.
Agent Bank

CLUBS

LEUMI INTERNATIONAL INVESTMENTS N.V.
U.S. $20 MILLION GUARANTEED FLOATING RATE NOTES "A" 1987
EXTENDIBLE AT THE HOLDERS OPTION TO 1990

The interest rate applicable to the above Notes in respect of the six month period commencing 23rd February 1984 has been fixed at 10¹¹⁄₁₆% per annum.

The interest amounting to U.S. $54.03 per U.S. $1,000 principal amount of the Notes will be paid on Thursday, 23rd August 1984 against presentation of Coupon No. 8.

BANK LEUMI TRUST COMPANY OF NEW YORK
Principal Paying Agent

CONTRACTS AND TENDERS

CLWYD COUNTY COUNCIL
TREASURERS DEPARTMENT

SUPPLY OF
MAGNETIC
TAPE UNIT

Tenders are invited for the supply of one IBM 8420 Model 6 magnetic tape drive complete with feature 6425 (dual density 6250/1600 bpi).

This unit must be immediately available and in working order and be supplied with a valid IBM maintenance acceptance qualification (MAQ) letter. Quotations inclusive of delivery and installation costs and specifying full details of unit including serial number should be sent in a plain envelope endorsed "Magnetic Tape Tender" to County Treasurer, Shire Hall, Mold CH7 6NA, to arrive no later than 5th March 1984.

E. R. Ll. DAVIES
County Secretary

INTERNATIONAL CAPITAL MARKETS

NZ considers return to tap funding

BY SELWYN PARKER IN AUCKLAND

WHEN THE New Zealand government abandoned the tap system of selling its stock last September, it did so, according to Sir Robert Muldooo, the Prime Minister, because it wao difficult to match monetary policy aims with this standard system of raising revenue.

Now, after five increasingly unsuccessful oales of government debt under the new tender syotem, Sir Robert is considering a return to the tap arrangement.

Faced with the need to fund internally a NZ$3.2bn (U.S.$2.11bn) deficit, whicb even the Prime Minister has described as massive, the government has fallen far short of its revenue-raising programme. Since the first tender issue on September 8 1983—the only successful one—sales of government debt bave pulled in only NZ$1.06bn of the NZ$1.7bn that the tenders sought.

In the fifth tender in late January the shortfall was nearly half. Of NZ$600m sought, only NZ$308m was accepted. It was after tbis issue that Sir Robert talked publicly about reverting to the old tap issues at 8 per cent, originally dropped because only in retrospect could the government assess whether it was meeting its debt sales objective.

Not even the introduction of an inflation-indexed package for the fourth and fifth tenders improved the flow of acceptable bids. Noting that bidders seemed oervous about the future rate of inflation, Sir Robert predicted that the package would "remove the element of inflation uncertainty from the bidding." Tbis it has failed to do.

In the package, the index-linked slice of the stock bas a built-in inflation adjustment calculated on the percentage movement of the Consumer Price Index. This is reflected in the half-yearly interest payments. Also, a component of the total interest payment is determined by the interest rates bid for stock in the tender, over and above the inflation adjustment.

As New Zealand's Reserve Bank points out, tender systems are effective if the government sccepts tbe "market-determined rates of ioterest at which the stock is sold." Sir Robert, however, is uowilling to do so and be bas rejected up to 69 per cent of tbe bids in any one tender as to high. The highest rate accepted in any maturity io 11 per cent. "The government io not in a position wbere it needs to pay excessive intereot rotes in order to raise money," he said.

Sir Robert argues that the deficit, whicb has been largely incurred by "Think Big" energy self-sufficiency programmes and by the Government's failure to trim its own expenses in line witb private industry, need not be "financed down to the last dollar." Yet many economists and analysts here believe his anxiety about tbe Government's unprecedented debts wos bebind his recent decision to soak up liquidity from the banks and finance houses.

He abolished the trading banks' NZ$50m free reserve margin and raised by 5 per cent the booming finance houses' public sector security ratio—effectively, their compulsory investments in government stock—to 30 per cent which took NZ$100m out of their liquidity.

He also forced the finance houses' maximum interest rates down by as much as 4 per cent because he was worried about their deposit growth. The last of these moves, which followed the compulsory fixing of mortgage rateo in November at 11 per cent and 14 per cent for first and second mortgages respectively, was taken jointly by the large finance houses themoelves after Sir Robert had threatened to "regulate them into a loss situation."

Sir Robert, who is also Finance Minister, believes that interest rates of 14 per cent or more are too high wben inflation is running at 3.6 per cent. Yet the financial markets fear that the true rate of inflation may be much higher.

OVER-THE-COUNTER – Nasdaq National Market

Continued from Page 36

Stock	Sales (Hnds)	High	Low	Last	Chng
Scimed	60	11¼	10½	11¼	
SciSySv	376	8¾	8½	8½	–⅛
Seiber s	26	19¾	19¼	19½	+½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
SwAsoc	98	20¼	18¾	19¼	–1
Systin	68	13	12¾	13	–½
SystGn s .01i	113	10	9½	9½	–½
Systm s .01e	x17	17¼	16¾	17¼	+¼
SCT Cp	118	20¼	19¼	20	–½
T—T					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
U—U					
UVaBs s 1.28	20	28¾	28¼	28⅞	–¼
UnvHld	25	4¾	4½	4¾	+⅛
UnvHlt s	111	10¼	10	10	–¼
UnvPat 1	49	13½	12¾	13	–2
UrgeC s	1175	5¼	4¾	5½	+¼
V—V					
W—W					
X—Y—Z					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Resistance to second note issue by SAMA

By Finn Barre in Riyadh and Mary Frings in Bahrain

IN A MOVE to soak up Saudi riyal liquidity within the Kingdom, the Saudi Arabian Monetary Agency (SAMA) has now issued two weekly tenders for 91-day deposits of up to SR 350m ($100m) from the nine domestic banks under its jurisdiction.

Yet the agency's second tender is running into difficulties which could cause trouble for its acting director, Sheikh Hamed Faud al-Salari. Bankers in the Kingdom are complaining that the interest offered on the non-negotiable notes is too low while religious conservatives are bound to ask why interest is being offered in the first place. SAMA is banned from paying interest, which is considered a violation of Islamic teaching.

SAMA, which functions as a central bank in Saudi Arabia, offered 91-day notes for a total of SR 350 last Saturday. It had offered the same amount the previous week, and has indicated that it will offer similar amounts each week. Banks were invited to pay 97.90629 for the first issue and 97.95313 for the second.

Islamic precepts

The tenders are made on a purchase and sale basis which avoids the payment of interest, to conform with Islamic precepts, but has resulted in an effective annual yield on the first two issues of just over 8.5 per cent.

Mr Salari's failure to issue an official circular concerning the Treasury offering has elicited private criticism from the Kingdom's bankers. The Treasury notes are, in effect, interest bearing deposits with SAMA. The Kingdom's banks are asking for clarification because no facility or procedure has been proposed to permit rediscounting.

The Treasury notes are also unpopular because they fail to offer competitive interest rates. Saudi banks say they are sacrificing from ½ to ¾ percentage points in interest by buying the notes.

At least one bank in the Kingdom has refused to take the notes during the second issue while others are taking less than SAMA is offering. Some banks say SAMA has applied pressure on them to buy the notes.

It is estimated in Bahrain that no more than SR 150m to SR 175m was taken up in the first week's tender. One reason may be that the scheme has been presented in the form of an invitation rather than an obligation, and is not yet fully understood.

The SAMA decision to offer the notes was prompted, Saudi officials say, by the desire to keep the Saudi riyal from being internationalised. The largest pool of riyals outside the Kingdom is in Bahrain's large offshore banking unit (OBU) sector. Mr Salari has already moved against the OBUs by banning them in 1983 from participation in riyal-dominated loan syndications.

Political repercussions

Saudi bankers say that as much as SR 20bn in riyals is held outside the Kingdom, at least half of it in Bahrain. The SR 4bn that would be drained by the Treasury bills could cramp the riyal liquidity of Bahrain and might administer a severe blow to its OBU activities.

This in turn could lead to political repercussions since both Bahrain and Saudi Arabia are members of the Gulf Co-operation Council. If the OBU's were seriously damaged, Bahrain would have to look for aid to replace its tbriving financial services sector.

So far (and money market traders in Bahrain stress that the longer-term effects of the SAMA scheme are hard to predict), the preosure on the flow of rlyals to the offshore market has been minimal and depooit rates have otabilised.

Speculative pressure

The SAMA scheme is an exercise in classic economic management. For the Saudis, thio consideration outweighs any desire to finance Government projects. SAMA hopes to gain influence over interest rates and money supply, and a decline in OBU activity, would further insulate the Saudi economy from world speculative pressure.

Western economiots point out that the Saudis have a conservative monetary policy, and that the scale of their public debt may be too small to influence the economy. Yet the Saudi government's only economic maoagement tool hitherto has been the injection of cash into the economy. It must now hope to have a broader array of optiono in managing the economy.

$200m FRN for Société Générale

By Peter Montagnon, Euromarkets Correspondent, in London

SOCIÉTÉ GÉNÉRALE yesterday launched a $200m floating rate note, the third issue in this market by a French bank so far this year.

As with the previous issues, for Crédit Commercial de France and Banque Nationale de Paris, the proceeds will be used to strengthen the bank's balance sheet by improving the maturity profile of its liabilities.

The 10-year notes bear interest at a margin of ⅛ per cent over the six-month London offered rate for Eurodollar deposits (Libor) and an issue price of par. Total commissions are 0.9 per cent.

The bonds were moderately well received, trading at a discount of around 0.8 per cent, but the floating rate note market continues to suffer from an overhang of new paper with a feeling that more issues are on the way. Arab Banking Corporation is expected to launch a $100m issue later this week.

Trading in fixed-rate dollar issues was rather quiet yesterday with prices closing little changed. As the dollar has weakened attention is being diverted to other currencies, notably sterling where a £75m, 10-years issue is to be launched for Yorkshire Bank today.

Yorkshire Bank, which is owned by a consortium of clearing banks including National Westminster, Barclays, Lloyds and Williams and Glyn's, will pay a margin of ⅛ per cent over three-month Libor and total commissions of 0.7 per cent. The issue is led by County Bank.

Other signs of activity in the sterling market include the release this week by County Bank of the balance of £10m of the £30m, 12¼ per cent issue due in 1993 by Austria's Girozentrale, and the £100m, 25-year bulldog for the Asian Development Bank. This was priced yesterday by S. G. Warburg to give a coupon of 10⅛ per cent and issue price 87.918.

Crédit d'Equipement of France is also seeking offers for a £100m, 12-year floating rate note.

In Switzerland, where foreign bonds were little changed, Enel has launched SwFr 100m private placement due in 1991 with a floating rate of interest set at ¼ per cent over six-months Libor. Lead manager Citicorp Bank (Switzerland) has set a minimum coupon of 4 per cent on the issue, which is much lower than on previous Swiss franc floating rate notes.

The new placement is designed to take advantage of recent rule changes allowing a secondary market in private placements.

BHF Bank bond average		
Feb 22		Previous
99.253		99.126
High	1983-84	Low
102.817		97.699

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for February 22.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	107⅝	108⅝	0	0	7.33

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn = Current coupon. C.yld = Current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

هكذا علق الزكي